



MOHOKARE
LOCAL MUNICIPALITY

DRAFT ANNUAL REPORT

2018/2019

MOHOKARE LOCAL MUNICIPALITY FS 163

(Before Noting by Municipal Council)

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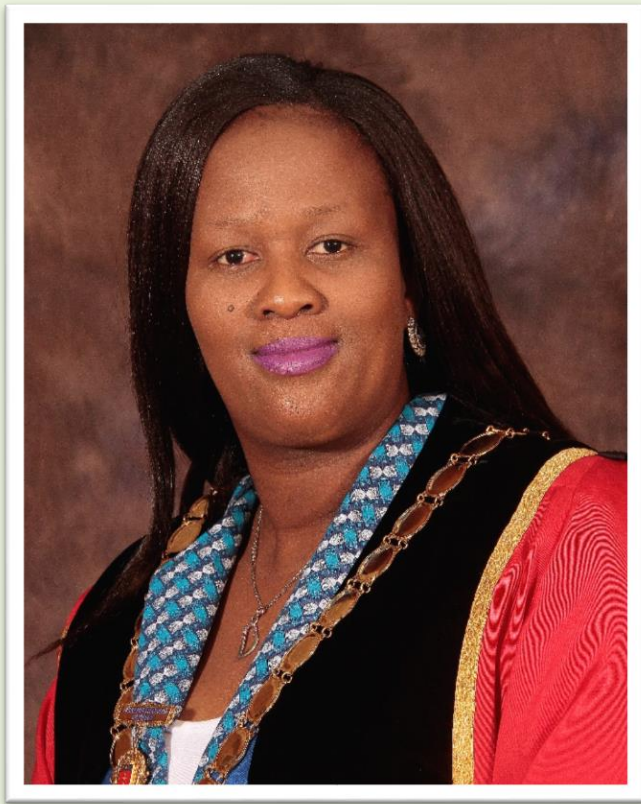
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CHAPTER 1



COMPONENT A: MAYOR'S OVERVIEW

MAYOR'S FOREWORD

Vision: To be a community-driven municipality that ensures sustainable quality service delivery applying principles of good governance.

Mission: A performance-driven municipality that utilises its resources to respond to community needs.

Slogan: Re aha motse

This Annual Report is presented in recognition of our obligation to be an accountable and transparent organization. The report reflects our service delivery developments, achievements and challenges during the stipulated financial year. The year under review marks a great achievement of the appointments of both the CFO and Director Technical Services, the process to fill the remaining two (2) positions of section 56 Managers in a form of Director Corporate and Community Service is currently underway.

This Annual Report serves as a record and accounting mechanism to communities on the municipality's achievements and challenges; as well as remedial and mitigation measures implemented to address the latter. In an expression of commitment to public participation, service delivery and clean accountable government; the council has adopted the IDP & Budget documents on the 31 May 2019 in an open type of a meeting at the community hall in Smithfield. In order to view such documents, and other important information about the municipality we therefore urge the residents to visit our official municipal website [www.mohokare.gov.za] and our Facebook page [Mohokare Local Municipality]. In accordance with the provisions of the laws that govern the affairs of the municipality we have embarked upon a process of consultation with the local community with a view to present the IDP and Budget for the 2018/19 Financial Year. Chapter 4 of the Municipal Systems Act 32 of 2000 makes community participation in the affairs, programmes and activities of the municipality a legal obligation. This IDP is therefore the culmination of a lengthy process of consultation with the local community. Accordingly, this IDP carries the aspirations of the masses of our community which the 2018/19 Budget must seek to finance. Therefore, this IDP must be seen as a beacon of hope that will continue to guide us over the next financial year in our collective endeavours of building a better life for all our communities. Reflection of free basic services and encourage deserving households to register for indigent should be imperative in the development agenda of the municipality.

We remain committed to the realization of the 5 National Key Performance Areas of municipalities, being the following:

Good Governance and Public Participation

Municipal Transformation and Organisational Development

Basic Infrastructure and Service Delivery

Local Economic Development

Municipal Financial Viability and Management

We are going to embark on a number of measures to address the unemployment challenge by implementing Local Economic Development programs. Youth unemployment is a pressing challenge; it is therefore a matter of great urgency that we draw young people in for great numbers into productive economic activity. Young local people will be moved to the centre of our economic agenda; it is within this spirit/background that the municipality through the Office of the Mayor will

be partnering with other relevant stakeholders to realise the vision of the municipality to be a Wi-Fi free zone, in order for the youth to be a component of the Fourth Industrial Revolution (4IR).

Agriculture presents one of the greatest opportunities to significantly grow the local economy and job creation. In realizing this dream, the DRDLR has been allocated site to establish a farmer's support unit in Zastron. Tourism is another sector which provides our municipality with incredible opportunities. Given the municipality's financial challenges, the institution is unable to budget for tourism related projects but in one of its sittings council resolved to embark on a Private-Public partnership to resuscitate and enhance the local tourism industry. The LED unit has started a project of compiling a local tourism brochure which will showcase our tourism destinations. The brochure will be used as a marketing tool to sell Mohokare to the outside world.

Our support to the local SMME's:

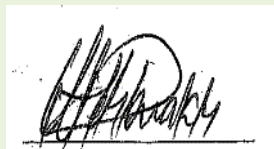
- Provide land to local SMMEs
- Lease of municipal buildings and coordinating funding from sector departments, private sector and donors.
- Encourage transition from informal to formal business.

Our course to job creation:

- Prioritize local suppliers when procuring for municipality
- Successfully engaged with contractors to sub-contract 30% of the work to local contractors.

Our IDP and 2018/19 Budget will go a long way in improving the quality of life of our community by broadening accessibility and alleviating poverty.

Regards,



CLLR. I.N MEHLOMAKULU
MAYOR



Section 121 (3) of the Municipal Finance Management Act (MFMA) 2003, read together with Section 46 of the Municipal Systems Act, act 32 of 2000 prescribes the minimal contents of the Annual Report of a Municipality.

This Annual Report therefore provides an alternative record of the Mohokare Local Municipality during the financial year under review and seeks to promote accountability to the local community for programme and services provided throughout the financial year.

Section 152 of the Constitution of the Republic of South Africa requires that the Municipality must strive within its financial and administrative capacity to achieve the following objects of local government.

- (a) To provide democratic and accountable government for local communities;
- (b) To ensure the provision of services to communities in a suitable manner;
- (c) To promote social and economic development;
- (d) To promote a safe and healthy environment; and
- (e) To encourage the involvement of communities and community organisations in the matter of local government.

The Municipality during this financial year strengthen its support to the Honourable Mayor and Councillors through engagement to solicit inputs and respective during the Integrated Development (IDP) and drafting of the budget.

The Municipality faced challenges when it came to its Senior Managers. The Municipal Manager contract and contract of directors came to an end. The Municipal Manager position and positions of all Directors, namely Corporate Services, Technical were on acting capacity in the process of filing the positions and positions. The Municipal Manager was appointed in March 2018 just before the end of the financial year. The position of the Chief Financial Officer (CFO), acting Director Community Services and Director Technical Services will be filled in the next financial year 2019 / 2020.

The financial health of the Municipality remains a challenge. The Municipality remains a challenge. The Municipality is presently giving attention to revenue enhancement with the assistance of both Provincial Department of CoGTA and Treasury including CoGTA National. The

Socio – Economic situation of the communities of Mohokare remain a challenge. More emphasis should be made on job creation. The involvement of the Municipal Local Economic Development cannot be our emphasised.

The financial situation of the Municipality creates challenges in terms of provision of service delivery namely water, sanitation, roads and refuse removal. The department of water and sanitation has assisted the Municipal timeously in finding water infrastructure. The implementation of water project by its nature takes time and hope that in 2020 the provision of water in our municipality will has improved.

Ageing fleet remain a major challenge which affects mainly collection of refuse and maintenance of roads.

Kind regards



Mr. S SELEPE
MUNICIPAL MANAGER

PREFACE

The financial years contained in this report are explained as follows:

- Year -1: The previous financial year;
- Year 0: The current financial year;
- Year 1: The following financial year.

We wish to thank all relevant municipal employees for their inputs and support throughout the development of this document.

1.2 POPULATION AND ENVIRONMENTAL OVERVIEW

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) it measures 8 748, 53 km and comprises of three main towns i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

Zastron

It is the main administration town for the Mohokare Local Municipality. The town, located at the foot of the Aasvoelberg with the famous Eye of Zastron, a nine-meter-wide hole through a sandstone rock. Very nice examples of bushman art can be found on the various farms in the area. Zastron is very close to Lesotho and a great place to start exploring.

Rouxville

It is in the middle of a number of other interesting places such as Smithfield, Aliwal, Xhariep and Zastron and with the impressive Maluti Mountains in the back drop it is perfect for enjoying the views. Situated on the N6 Rouxville was founded by Petrus Wepenaar, in 1863 on the farm Zuurbult.

Smithfield

It's a small town in the Free State Province of South Africa. It was founded in 1848 after Sir Harry Smith, the Cape Colony governor. Smithfield is the third oldest town in the Free State Province.

Mohokare's population growth rate according to Statistics South Africa, is 1.06%, this is indicative of the fact that during the Census survey conducted in 2011, the total estimated population was + 34146, which has now increased to +35 840 according to 2016 Community Survey.

Demographics as per STATS SA 2016

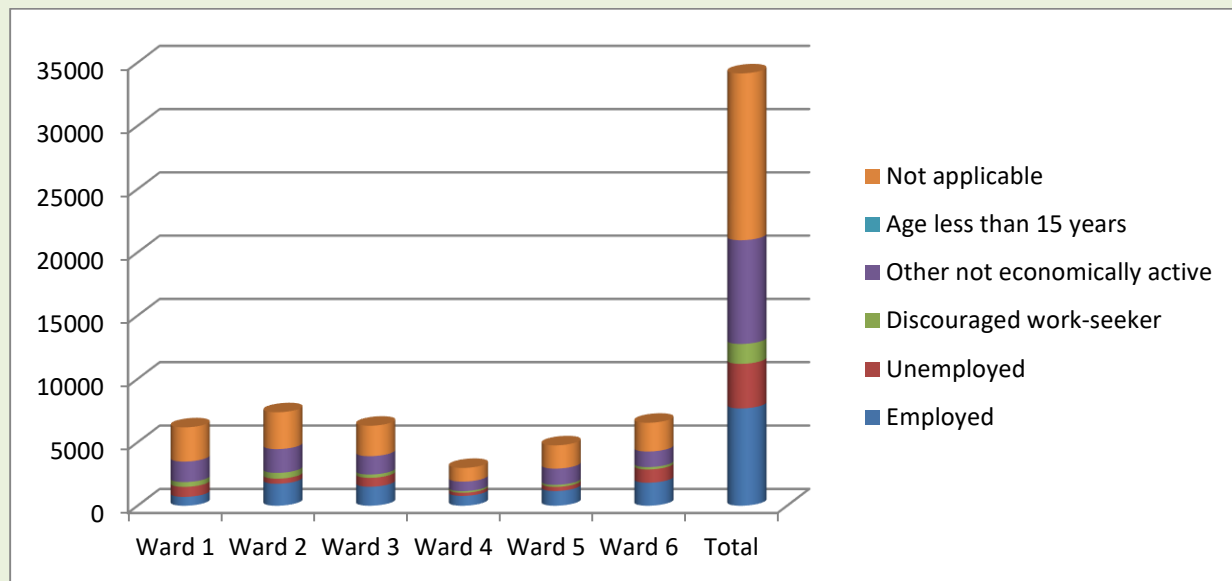
Geography	Total population	Gender		Age				% of Youth	Dependency Ratio [Per 100 (15 - 64 Years)]	Sex Ratio (Males per 100 Females)
		Male	Female	0–14 Years (Children)	15–34 Years (Youth)	35–64 Years (Adults)	65 + Years (Elderly)			
Free State	2834714	1379965	1454749	797265	1058948	732863	245638	37.4	58.2	94.9
Xhariep	125884	62474	63409	33355	48209	32128	12191	38.3	56.7	98.5
Letsemeng	40044	21140	18904	9955	15794	10656	3639	39.4	51.4	111.8
Kopanong	49999	24812	25188	13007	18802	13227	4964	37.6	56.1	98.5
Mohokare	35840	16523	19317	10393	13613	8245	3589	38.0	64.0	85.5

Households Dynamics as per STATS SA 2016

Geography	Total households	Average household size	Child-headed households (10 - 17 Years) %	Female headed households %	Formal dwellings %	Housing owned/paying off %
Free State	946638	3.0	0.6	41.7	83.6	70.2
Xhariep	44767	2.8	0.8	37.6	89.2	62.8
Letsemeng	13969	2.9	0.5	31.5	85.1	73.0
Kopanong	18412	2.7	0.6	37.4	89.3	60.0
Mohokare	12387	2.9	1.3	44.8	93.6	55.3

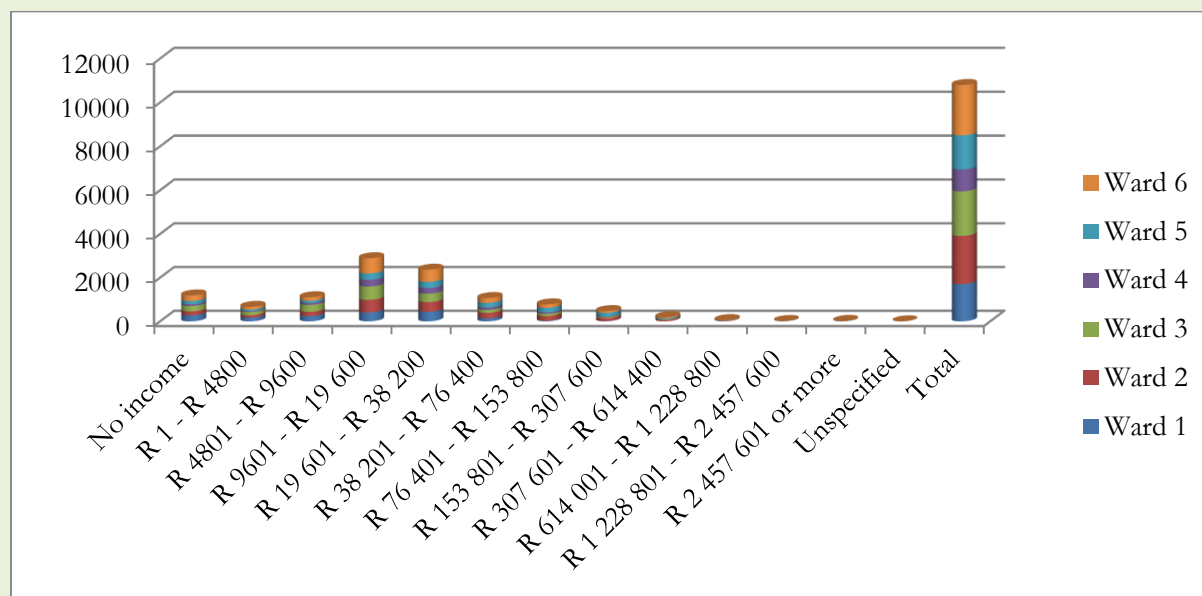
SOCIO ECONOMIC STATUS**Table:1.2.5****Geography by official employment status**

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Not applicable	Total
Ward 1	696	792	377	1619	-	2696	6181
Ward 2	1732	401	456	1878	-	2903	7370
Ward 3	1496	704	260	1446	-	2402	6307
Ward 4	775	246	130	751	-	1079	2982
Ward 5	1161	324	164	1276	-	1836	4762
Ward 6	1812	1050	184	1229	-	2268	6543
Total	7672	3518	1571	8200	-	13185	34146

STATS SA 2011

Annual household income

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Total
No income	272	186	248	78	150	251	1186
R 1 - R 4800	167	112	150	39	74	120	662
R 4801 - R 9600	241	197	314	88	102	161	1101
R 9601 - R 19 600	408	575	608	311	292	693	2888
R 19 601 - R 38 200	434	447	385	262	280	554	2362
R 38 201 - R 76 400	140	250	136	106	213	221	1065
R 76 401 - R 153 800	30	214	103	67	207	154	776
R 153 801 - R 307 600	11	131	52	35	161	78	467
R 307 601 - R 614 400	2	60	26	9	48	43	189
R 614 001 - R 1 228 800	-	22	5	1	16	13	56
R 1 228 801 - R 2 457 600	-	5	5	1	6	2	19
R 2 457 601 or more	-	9	5	2	4	2	22
Unspecified	-	-	-	-	-	-	-
Total	1704	2208	2036	1000	1552	2292	10793

STATS SA 2011

Overview of neighbourhoods within Mohokare Local Municipality as per STATSSA 2011

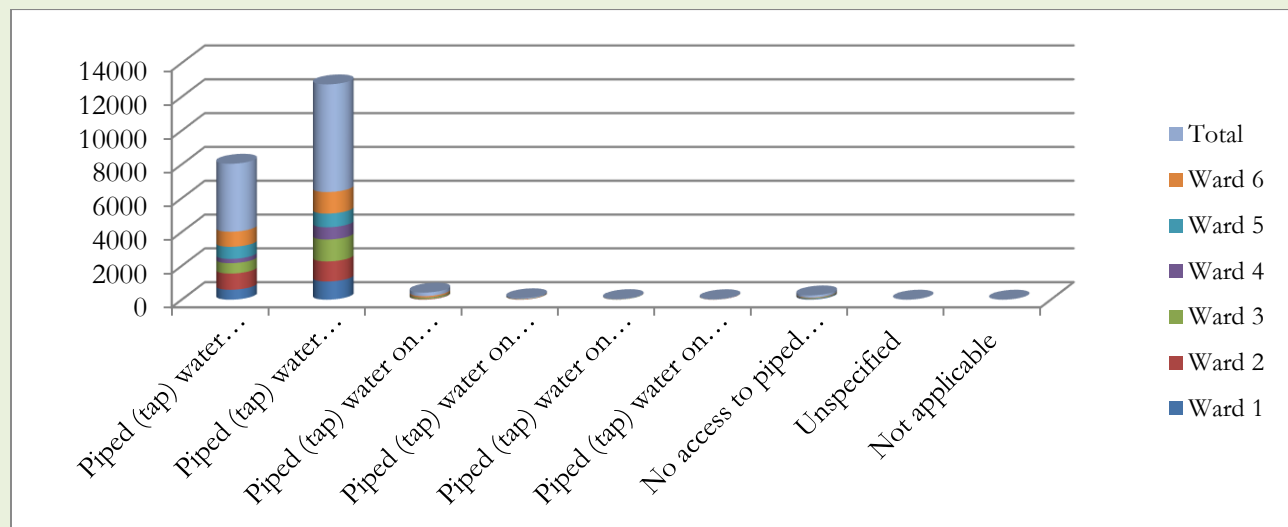
	Census/ Households- Households N	Census/Populat ion – Population N	Census/Popul ation – Population group Black African N	Census/Popul ation – Population group Coloured N	Census/Popul ation – Population group Indian or Asian N	Census/Popul ation – Population group Other N	Census/Popul ation – Population group White N
Ward 1 ZASTRON	1705	6181	6163	7	6	5	1
Ward 2 ROUXVILLE	2208	7370	6353	182	21	31	783
Ward 3 ZASTRON	2036	6307	5963	37	9	4	294
Ward 4 ROUXVILLE	1000	2982	2655	194	5	2	126
Ward 5 ZASTRON	1552	4762	4020	59	41	3	639
Ward 6 SMITHFIELD	2292	6543	5865	290	11	16	361
Total	10793	34145	31019	769	93	61	2204

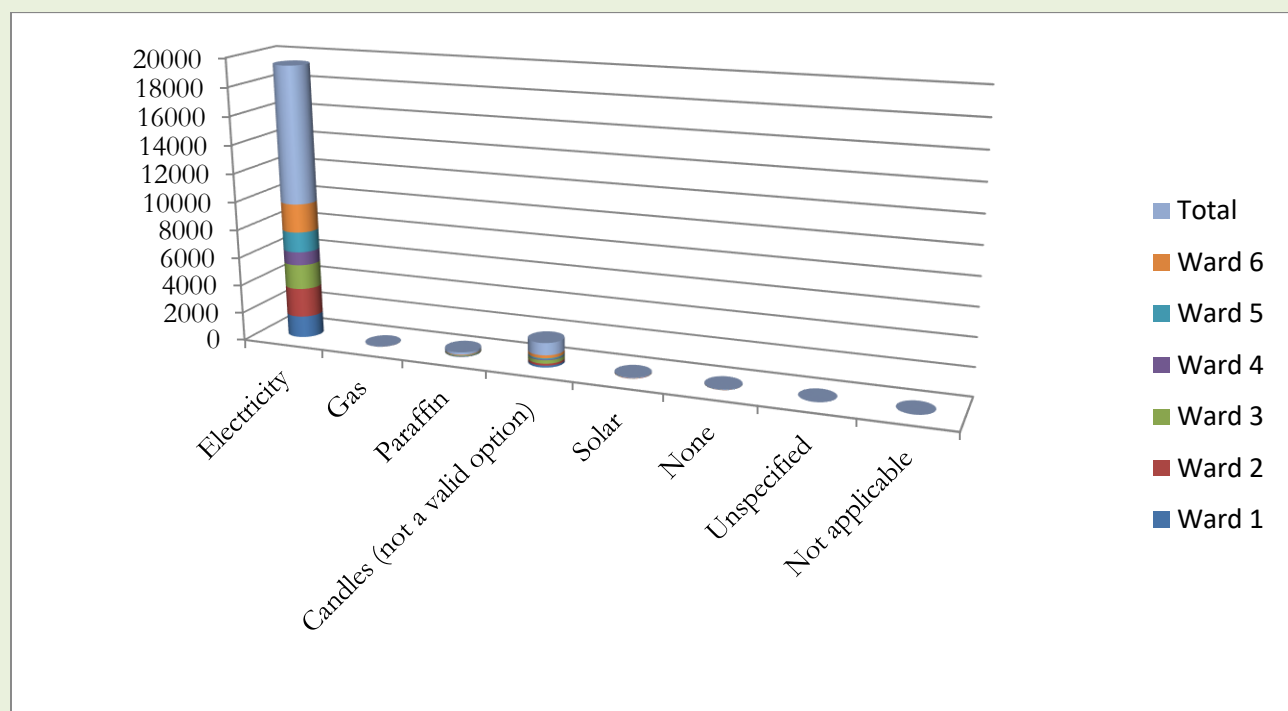
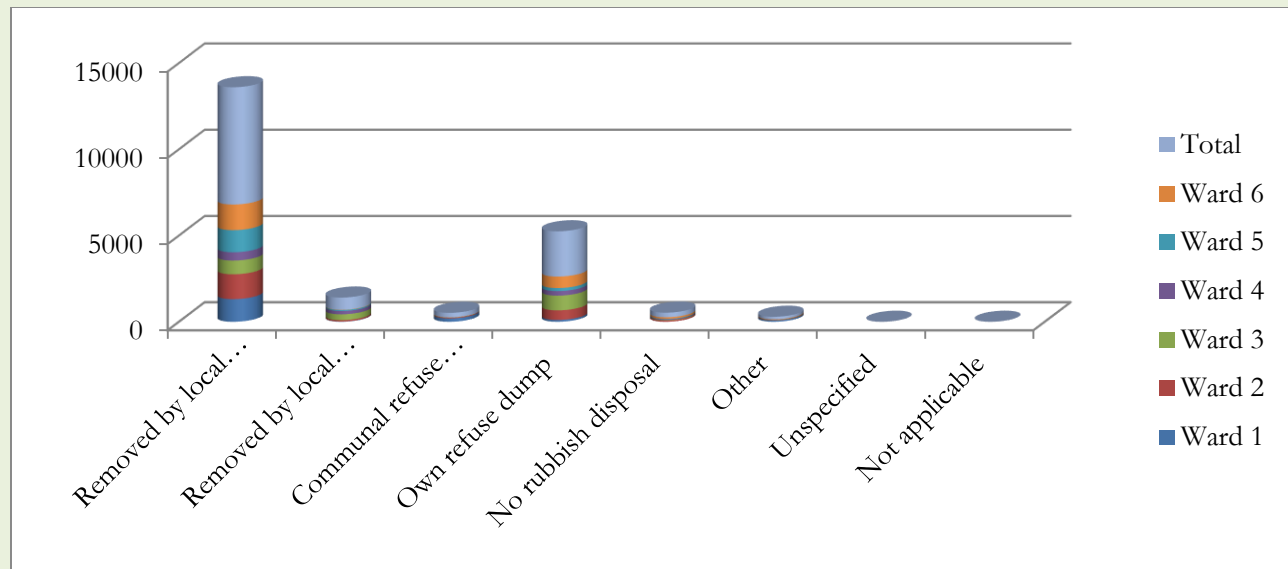
1.3 SERVICE DELIVERY OVERVIEW

Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which include commercial businesses, schools, and hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services





The municipality faced and is still facing drought challenges as far as raw water supply is concerned. Although all the households have access to water supply, the raw water supply was a challenge due to the drought. The eradication of buckets still can't be concluded due to the Bucket Eradication Programme (BEP) that is on hold.

1.3 FINANCIAL HEALTH OVERVIEW

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately.

Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

Pricing of Services

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

Rates

The rates increased by 6% during the year under audit.

Service Charges

The 6% increase in water tariffs are as a result of (amongst other factors), the water loss intervention programme, the increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments.

Indigents

The number of indigents is at 864 for the year under audit and in order to provide free services to residents who cannot afford to pay also contributed to the need to increase tariffs.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

General

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

- The developmental challenge to address the service delivery backlogs in all towns of the municipality.

- The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.

The other general contributory factors for the increase in levels of rates and service charges were:

- Salary increase of 7.00% with effect from 1 July 2018
- Provision for the filling of critical vacancies;
- Rollout of infrastructure and the provision of basic services; and
- Increased maintenance of network and structures.

Intervention measures planned for 2018/2019 government debt

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however, there is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increase payment for services rendered.

Secondly, categorization of debtors per:

- Department:
- Business:
- Households:

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt is standing at R236 million, with a collection rate of 7%. This significant increase in the debt book as well as the drastic decline in the collection rate was brought on by the Municipality converting to a new financial system and during the period of the transfer of information accounts were not issued to consumers, hence the decline in the collection rate.

The municipality employs the services of its lawyer to assist in the collection of long outstanding debts.

Council properties

Council properties are not ratable as per the rates policy.

Arrest a debt

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

Unemployment and National Credit Act

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay. These customers could not raise loans to pay outstanding Municipal accounts because of the National Credit Act. The banks requirements for granting loans became stringent and that had a huge impact in recovering outstanding amounts.

Asset Register

A GRAP compliant asset register had been compiled and all finished infrastructure assets had been unbundled. The biggest challenge now is the maintenance of these assets and the asset register.

Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house.
The municipality's budget is compiled per the format as prescribed by the MFMA.

Key challenges facing the municipality

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

Financial Overview: Year 2018 - 19			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants - Operational	66,393,000	66,393,000	65,693,000
Grants - Capital	104,708,000	68,208,000	47,531,207
Taxes, Levies and tariffs	72,983,067	72,983,067	80,497,806
Other	47,155,124	57,455,741	42,928,885
Sub Total	291,239,191	265,039,808	236,650,898
Less: Employee Costs	72,060,585	73,639,184	74,155,894
Less: Councillors Remuneration	4,148,313	4,148,313	4,005,614
Less: Debt Impairment	22,690,500	20,490,500	73,781,848
Less: Depreciation and Assets Impairment	31,720,500	26,720,500	23,058,736
Less: Finance Charges	4,879,000	5,715,000	9,973,272
Less: Bulk Purchases	26,692,685	26,692,685	24,869,501
Less: Other Expenditure	38,991,200	39,275,384	43,416,010
Sub Total	201,182,783	196,681,566	253,260,875
Surplus/(Deficit)	90,056,408	68,358,242	(16,609,977)
			T 1.4.2

COMMENT

Income

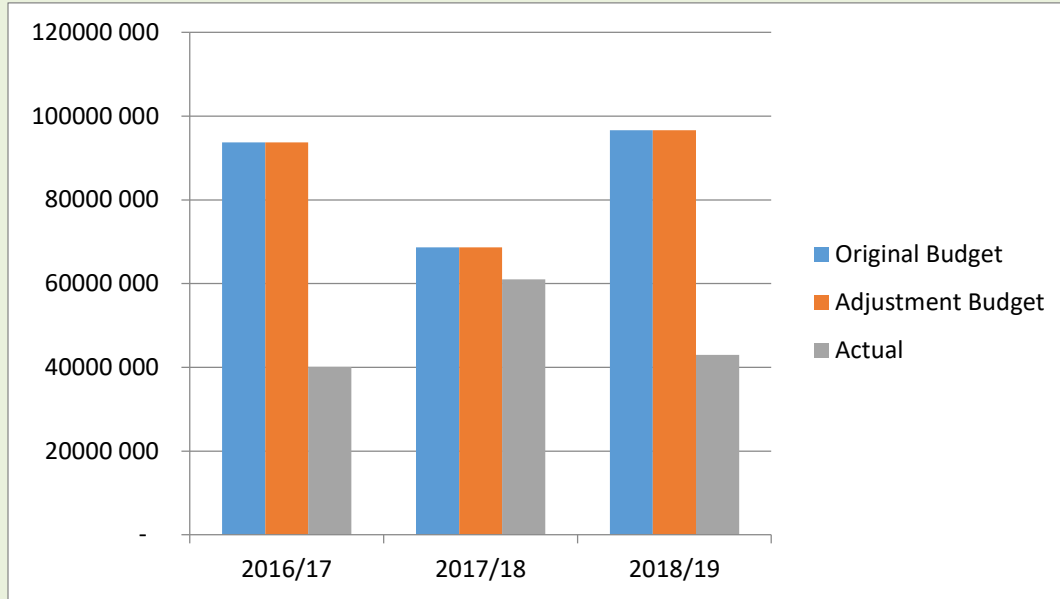
Form the above it can be seen that the municipality is grant reliant. R103,8 million of revenue are from grants received compared to the R60 307 071 million (including electricity sales by Centlec SOC) derived from own operations.

Expenditure

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios	
Detail	%
Employee Cost	29.78%
Repairs & Maintenance	1.79%
Finance Charges & Impairment	3.15%

Total Capital Expenditure: 2016-17 to 2018-19			
Detail	2016/17	2017/18	2018/19
Original Budget	93 694 000	68 671 700	96 598 600
Adjustment Budget	93 694 000	68 671 700	96 598 600
Actual	40 032 232	61 044 900	42 972 220
T 1.4.4			



1.5 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

The section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's:

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

Mohokare Local Municipality has adopted a scorecard as its performance measuring tool. The municipality adopted the 2018/2019 Performance Management Framework, the framework was reviewed and adopted by Council at a Council meeting held on the 30th of May 2019.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 54A and 56 Manager Positions;
- Signed performance agreements by Section 54A and 56 Managers;
- Disciplinary processes against Section 54A and 56 Managers;

1.6 AUDITOR GENERAL REPORT

Mohokare Local Municipality received a Qualified Audit of opinion for the 2017/2018 financial year

See chapter 6 for the complete report of the Auditor General.

1.7 STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Council's oversight function, the municipality should submit their Annual Report as soon as possible after the financial year end ideally this ought to be end of August.

The anticipated process for the creation, submission, review and approval for the 2018/2019 Annual Report is set out in the table below:

NO	ACTIVITY	TIMEFRAME
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	31 st August 2019
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	01 st July 2018
3.	Finalise the 4th quarter Report for previous financial year	14 th July 2018
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	31 st August 2019
5.	Municipal entities submit draft annual reports to MM	N/A
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	31 st August 2019
7.	Mayor tables the unaudited Annual Report	N/A
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31 st August 2019
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	31 st January 2020
10.	Auditor General audits, Annual Report including consolidated Annual Financial Statements and Performance data	31 st August 2019
11.	Municipalities receive and start to address the Auditor General's comments	31 st January 2020

NO	ACTIVITY	TIMEFRAME
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	31 st January 2020
14.	Oversight Committee assesses Annual Report	1 st March 2020
15.	Council adopts Oversight report	31 st March 2020
16.	Oversight report is made public	07 th April 2020
17.	Oversight report is submitted to relevant provincial councils	07 th April 2020
18.	Commencement of draft Budget/ IDP finalisation for next financial year	31 st March 2020
19.	Annual Report and Oversight Reports to be used as input	01 st April 2020

Note that the annual performance report and the financial statements form part of the Annual Report.

The Final Annual Report will be submitted to National and Provincial Treasuries', COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa chapter 7, section 160(1) are vested in the municipal council, which has legislative authority and executive authority. The Municipal Council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the Council are implemented.

Corporate management support – Council and committees

The Standing Rules and Orders of Mohokare Local Municipality govern that the speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan (IDP), the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted major by-laws, policies and plans. It has subsequently appointed the committees in terms of the Structures Act dealing with vast responsibilities which are fully functional: Section 79 committees, MPAC, Oversight Committee, the Audit Committee, Ward Committees, and SPLUMA Committee.

Council meetings are functional with ordinary council meetings sitting once quarterly with special council meetings called by the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements council resolutions to achieve strategic objectives.

2.1 POLITICAL GOVERNANCE

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998

Mohokare is made up of three former TLC Local Authorities which are Zastron, Rouxville and Smithfield. The 2008/2009 demarcation processes saw this municipality increase from having only 5 wards to 6 wards and this process brought about a gain of one more seat in the council, meaning that Mohokare LM now has a total number of 11 public representatives constituting the council, however this did not change the type of a council Mohokare was - it remained to be a plenary type of a Council.

Subsequent to the successfully held August 02, 2016 Local Government elections, the Council changed as outlined below:

1. Mayor (ANC PR Councilor)	Cllr. N.I Mehlomakulu
2. Ward 1 Councilor	Cllr. T.S. Khasake
3. Ward 2 Councilor	Cllr. T.D Mochechepa
4. Ward 3 Councilor	Cllr. L. Lekhula
5. Ward 4 Councilor	Cllr. B.M. Valashiya
6. Ward 5 Councilor	Cllr. T.I Phatsoane
7. Ward 6 Councilor	Cllr. M.I Morapela
8. Democratic Alliance PR Councilor	Cllr. I.S. Riddle
9. Democratic Alliance PR Councilor	Cllr. M.L Lephuthing
10. EFF PR Councilor	Cllr. L.J Lipholo
11. EFF PR Councilor	Cllr. B.J Lobi

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local council. Mohokare has a total of eleven (11) seats with seven (7) councillors from the ANC, two (2) from the DA and two (2) from the EFF.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings)

Introduction to political governance oversight

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on these committees chaired by a nominated councillor as outlined below:

- **Section 79 portfolio committees**

Five Council Portfolio committees have been established in line with section 79 of municipal structures act, 1998 and their meeting schedule adopted by council. They sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the standing rules and orders of council. All the five committees are functional. The following Councillors serve as chairpersons of the committees:

Initials and surname	S79 Committee
Cllr. B.M. Valashiya	Finance
Cllr. L. Lekhula	Planning and Local Economic Development
Cllr. M.I. Morapela	Corporate Services Committee
Cllr. T.I. Phatsoane	Community Services
Cllr. T.S. Khasake	Technical Services

- **Council Oversight committee**

The MFMA governs the establishment of an Oversight Committee for the detailed analysis and review of the annual report and the annual performance report. Following the reports being tabled in Council, receiving and reviewing representations made by the public and inputs from other Councillors and then drafting an oversight report for Council's adoption. The annual report of the financial year 2017/2018 was adopted by council in January 2019. The Oversight Committee discussed the Annual Report and adopted it with reservations on the 28th March 2019.

The current oversight committee consists of the following members:

Initials and surname	Capacity
Cllr I Riddle	Councillor, Chairperson
Mr L Thene	Community Member
Me VL Tuoane	Community Member
Mr Vapi	Risk Management Committee, Audit Committee member

Cllr L Lekhula	Member
Cllr M.I Morapela	Member
Cllr T.S Khasake	Member

- **Audit Committee / Performance Audit Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The audit committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting of policies within the municipality.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee.

According to the regulations, the performance audit committee must review the quarterly reports submitted to the committee by the internal audit unit and the municipality's performance management system and make recommendations in this regard to the council. The audit committee should meet at least twice during a financial year submit an audit report to the municipal council.

The Audit Committee / Performance Audit committee comprises of the following members:

Initials and surname	Capacity
Ms. Z. Chonco	Chairperson
Mr. T. Moloi	Member
Mr. V.W Vapi	Member
Mr. T Motshoikha	Member

- **Risk Committee**

The Risk Committee emanates from the risk management unit which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk

management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

The Risk Committee comprises of the following members:

Initials and surname	Capacity
Mr. M. Tshofela	Chairperson
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

The risk committee was not functional during 2018/2019

- **Municipal Public Accounts Committee (MPAC)**

The MPAC will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality.

MPAC was a shared service with the Xhariep District Municipality until 14th March 2019 when Council appointed its own MPAC Committee of which members had to undergone training before any meeting could commence. Meetings will only start in the new financial year.

- **Section 32 Committee**

The S32 committee was established on the 27th July 2017 in line with the Local Government Municipal Finance Management Act of 2003 to investigate unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality and consists of the following members:

Initials and Surname	Capacity
T.D. Mochechepa	Councillor /Chairperson
L. Lekhula	Councilor
T.S. Khasake	Councillor
T.I. Phatsoane	Councillor
B.M. Valashiya	Councillor
M.I. Morapela	Councillor
I.S. Riddle	Councillor

- **Agri Forum**

The Agri Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups.

- **Local Labour Forum**

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the SALGBC
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and it meets monthly.

POLITICAL STRUCTURE

MAYOR/SPEAKER

Cllr. Nokufa Irene Mehlomakulu

CHIEF WHIP

Cllr. Thabo Simon Khasake / Cllr. B.M. Valashiya

HONOURABLE COUNCILORS

Cllr. T.D Mochechepa

Cllr. B.M Valashiya

Cllr. L. Lekhula

Cllr. T.I Phatsoane

Cllr. M.I Morapela

Cllr. M.L Lephuthing

Cllr. I.S Riddle

Cllr. L.J Lipholo

Cllr. B.L Lobi



The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is of the interest of its constituency which are communities in Mohokare jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people's lives and the implementation of these resolutions is delegated to the Accounting Officer, who is the Municipal Manager.

The following outstanding council resolutions were recorded as not being concluded on the 30th of June 2019:

Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/ Not	Reasons for deviation	Corrective action taken
Ordinary Council Meeting Held 17 September 2018	REPORT ON SMME's The Municipal Manager to prepare a report outlining the appointed and non-appointed SMMEs and further state reasons for the actions.	Municipal Manager's Office LED	Pending	Awaiting the Municipal Manager's meeting with the Acting LED Manager to finalize a progress report	All applicants to come and present to Council or alternatively administration to advertise for interested parties to apply
Ordinary Council Meeting Held 29 th May 2018	REPORT ON LAND INVASION IN MATLAKENG The Community Services Manager to avail the current waiting list for sites for comparison against the list from the informal settlement.	Community Services	Register was implemented containing information of occupants at informal settlement	No deviation	n/a
	SOURCING OF FUNDS FOR PRE PAID WATER METERS Councilors to start with community	Finance	The Consultations were made in Rouxville and the installation commenced in	Zastron and Smithfield is awaiting councilors consultations	Ward councilors to finalize their community meetings

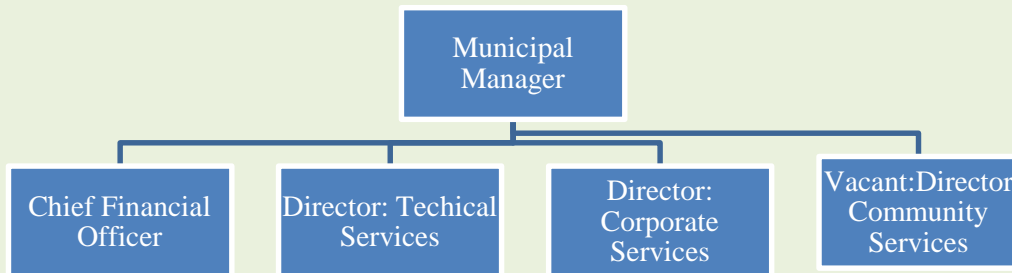
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/ Not	Reasons for deviation	Corrective action taken
	consultations until the end of August 2018 to engage communities on installation of pre-paid water meters		Town and is in progress		and present the projects
ORDINARY COUNCIL MEETING HELD 17 SEPTEMBER 2018	DEBT OWED BY THE MUNICIPAL OFFICIALS AND COUNCILLORS Letters to be written to the Councilors and Officials owing municipal Services	Finance	In progress	No deviation	Amendments have to be made to previous arrangement is in place with individual councilors and officials
ORDINARY COUNCIL MEETING HELD 28 TH MARCH 2019	GOVERNMENT OWNED PROPERTIES IN MOHOKARE Council resolved that the municipality to commence negotiations with National and Provincial Departments to obtain their vacant sites in Mohokare.	Municipal Manager's Office Town Planner	Implemented In progress	No deviation	Consultations between municipality and Dept. of Public Works is ongoing

2.2 ADMINISTRATIVE GOVERNANCE

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational structure that talks to the needs of Council and the Powers and Functions of a plenary type Municipality.

The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

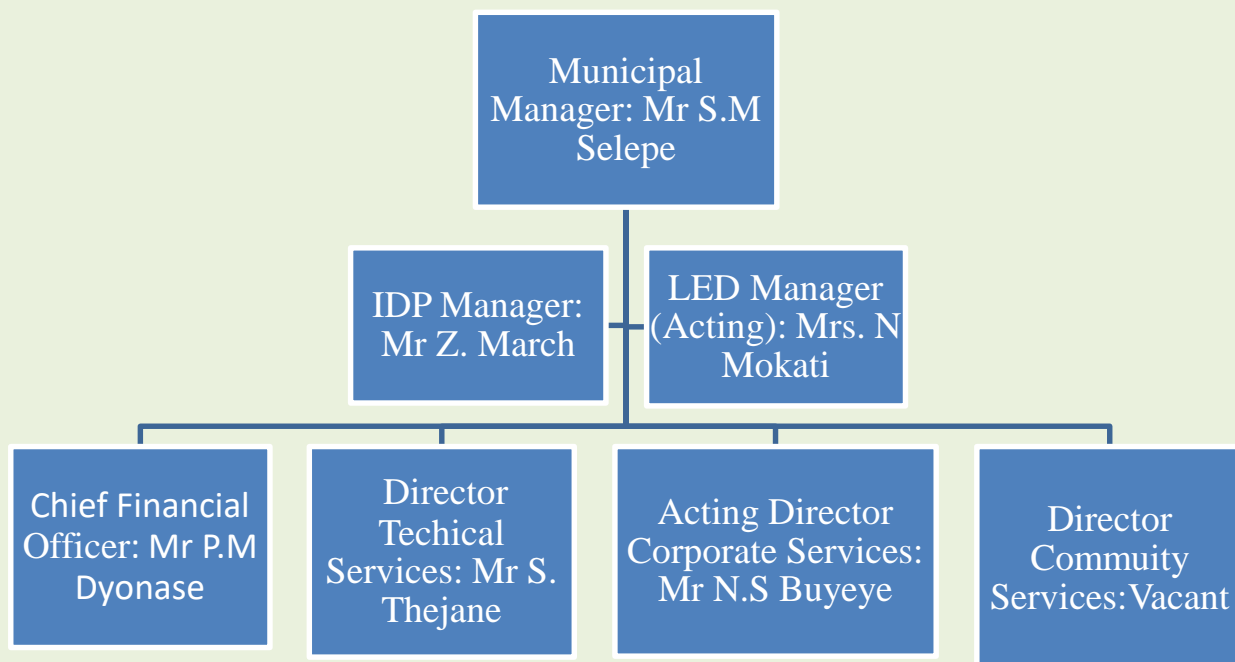
The Municipality is headed by the Municipal Manager and Managers directly accountable to the Municipal Manager, currently the top management structure Mohokare Local Municipality is as shown below;



The new Municipal Manager Mr. S.M Selepe was appointed on the 19th March 2018.

The Technical Services Director Mr. S.E Thejane was appointed on the 01st July 2019, and the Chief Financial Officer Mr. P.M Dyonase was appointed on the 01st June 2019. Mr. N.S Buyeye is Acting Corporate Services Director and Community Services Director post is vacant.

Municipal Manager	Mr. S.M Selepe
Chief Financial Officer:	Mr. P.M Dyonase
Director: Technical Services:	Mr. S. Thejane
Director: Community Services:	Vacant
Acting Director: Corporate Services:	Mr. NS Buyeye





COMPONENT B: INTERGOVERNMENTAL RELATIONS**2.3 INTERGOVERNMENTAL RELATIONS**

The Inter-Governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental Relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

NATIONAL INTERGOVERNMENTAL STRUCTURES**Municipal Managers Forum**

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, integrated development plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

There are two structures of IGR the Political IGR and the Technical IGR; The Political IGR is the structure for Mayors and Councillors and the technical structure for Municipal Managers and Key Managers and Officials.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by the Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000

2.4. PUBLIC MEETINGS

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act, Ward Councilors are required to hold at least one public meeting per ward per quarter, Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public all through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 6 Wards and 6 ward committees that are functional. The municipality publishes its public meetings utilizing the municipal website, notice boards and loud hailing to inform the community on public meetings to broaden its public participation.

IDP/Budget review meetings were held in all 6 wards from August 2018 till May 2019 with stakeholders and the community to consult and also to assist in prioritizing the community needs for consideration in the planning of the operations of the municipality. The Council of the Municipality adopted the IDP/Budget process plan which guide stakeholders on dates for community and stakeholder consultations on the 17th of September 2018. The Council however adopted the draft 2019/2020 IDP/Budget on the 28th of March 2019 and the final adoption was on the 31st of May 2019.

There is also a stakeholder's forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

Public Meetings

Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Imbizo	None					
Awareness Programme: Woman and children killings and abuse	Mar 2019	4	11	+/- 250	Yes	None
	April 2019	1	6	+/-200	Yes	None
	May 2019	3	15	+/-300	Yes	None
IDP/Budget consultative meetings	Apr-May 2019	11	10	Number vary from town to town	Yes	
Ward Community Meetings	Quarterly	one per ward	5 per ward	Number vary from ward to ward	Yes	monthly-Quarterly

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	NO
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five-year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.

COMPONENT D: CORPORATE GOVERNANCE

On-going local government reforms have provided broad administrative frameworks for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

2.6 RISK MANAGEMENT

To ensure that the Mohokare Local Municipality's culture and processes encourage the identification assessment and treatment of risks that may affect its ability to achieve its objectives.

To explain key aspects of risk management and create an environment where all the employees take responsibility for managing risk.

To create a more risk aware organizational culture through enhanced communication and reporting of risk

For the 18/19 financial year the municipality had a non-functional risk management committee.

An effective risk management strategy can improve accountability by ensuring that risks are explicitly stated and understood by all parties that the management of risk is monitored and reported on and that action is taken based on the results.

Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal.

Ensure opportunities are not missed and surprises cost don't arise.

The table below indicates progress made by departments in addressing the risks:

Department	No. of Risks	No. of Risks with Progress indicated	No. of Risks with No Progress Indicated	No. of Risks Completed
Corporate Service	11	8	1	2
Technical Services	10	8	2	0
Community Services	9	9	0	0
Finance Services	12	7	6	0
Total	42	32	9	2

The identified risks are having internal risk implications of the following categories:

Knowledge and Information Management – Accuracy, Accessibility, Availability and Relevance of Information

Human Resources – Recruitment, Skills and Competence

Financial - Budget allocations, Revenue collection, Wasteful and fruitless expenditure, Cash flow adequacy and management thereof

Compliance \ Regulatory - Failure to monitor or enforce compliance

Cultural - Communication channels and the effectiveness

2.7 ANTI-CORRUPTION AND FRAUD

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were submitted to and approved by the Risk Management Committee and the Audit Committee in the Second quarter 2018.

- Fraud prevention plan in place
- Risk Management Strategy
- Risk Management Policy

During the month of November as it known as international fraud month the risk unit posted posters in the notice boards of the municipality, the aim of the post was to create awareness to the employees, community of Mohokare to come and report alleged cases of fraud either to the municipality or by dialling the national hotline.

2.8 SUPPLY CHAIN MANAGEMENT

The Mohokare SCM Policy is adopted and in line with Section 112 of the MFMA.

The Mohokare SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and also approved by Treasury.

Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be complied with. There are ranges of procurement processes within the SCM Policy of the Municipality which are in line with the Model Policy (Guideline). Performance management is also included in the Mohokare Supply Chain Policy.

There is a newly developed Service Providers Performance Management Policy by SCM with the assistance of PMU and PMS and is to be included as part of the SLA when a contract is signed by Mohokare Local Municipality and a service provider.

2.9 BY-LAWS

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were newly adopted or during the year under review and no by-laws in existence was revised.

Section 10 (1) of the Establishment Notice of Mohokare LM (Provincial Notice 181 of 2000) reads as follows:

“By-laws and resolutions (including standing delegations) of a disestablished municipality ... (a)

Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality”

As a result, there are the by-laws of the disestablished municipalities in Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare Municipality.

No new by-laws were promulgated during the financial year 2018/2019.

By-laws Introduced during Year 0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of	Dates of Public Participation	By-Laws Gazette* (Yes/No)	Date of Publication
None	None	None	None	None	None
T2.9.1					

2.10 WEBSITE

Mohokare Local Municipality website can be found at www.mohokare.gov.za.

MUNICIPAL WEBSITE : CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's Website	Yes/ No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2019/04/10 Adjustment 2019/06/11 Annual budget
All current budget-related policies	Yes	2019/06/11
The previous annual report	Yes	2019/04/16
-The annual report 2017/2018 published	Yes	2019/04/16
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2018/08/31
All service delivery agreements (Year 0)	No	-
All long-term borrowing contracts (Year 0)	No	-
All supply chain management contracts above a prescribed value (give value) for Year 2018/19	Yes	2018/11/29 2019/03/16
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	-

Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	-
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	-

MUNICIPAL WEBSITE AND CONTENT

Section 21B of the Municipal systems act requires all municipalities to establish their own official website, the website enables municipalities to deliver information to the public this is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Municipal Local Municipalities has established its own website that is managed and hosted internally, the website contains a newly developed structure, it is accessible, easy to use and it is regularly uploaded with key documentation and information as set out in Local Government Municipal Finance Management Act section 75 or any other applicable legislation. The website at the current stage does have a function of measuring the number of the public visiting the website.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not undertake community satisfaction surveys during the year 2018/2019 and the previous survey conducted did not realise a satisfactory sample of respondents, therefore data is inadequate to analyse service feedback.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Mohokare Local Municipality remains committed to Service Delivery within its jurisdiction.

The following are the services provided by the municipality throughout the 2018/19 financial year:

1. **Water** - Mohokare LM is a Water Services Authority (WSA) and a Water Services Provider (WSP), thus not making use of any Water Board (WB) for the provision of water supply in all towns.
2. **Sanitation** - As stated by the National Water Act of 2000, Water services refers to water and sanitation services.
3. **Roads and Storm water**
4. **Electricity** - The municipality is an Electricity Services Authorities however Centlec (Mangaung Electricity Entity) is providing services thereof.
5. **Implementation of Projects** - The municipality has been implemented as an Implementing Agent (IA) for the following grants that seeks to improve the living standards of the community:
 - a. Municipal Infrastructure Grant (MIG)
 - b. Water Services Infrastructure Grant (WSIG)
 - c. Regional Bulk Infrastructure Grant (RBIG)
 - d. Integrated National Electrification Programme (INEP)

COMPONENT A: BASIC SERVICES

3.1 WATER PROVISION

INTRODUCTION TO WATER PROVISION

The municipality was not declared a disaster area in terms of draughts however the shortage of bulk water remains a challenge due to the under capacitated bulk water infrastructure. This challenge is common to all three towns of Mohokare LM.

The municipality was able to complete the upgrading of x2 raw water pump stations in Zastron during the 2018/19 financial year. This achievement marked the completion of phase 2 of the Zastron Bulk Water Scheme. Currently the municipality is implementing the 3rd and final phase of the Scheme which comprises of the Upgrading of the Zastron Water Treatment Works (WTW) whereby it is anticipated to be completed in the 2019/20 financial year. The completion of this scheme will enable the municipality to meet its current and future water supply demands.

The town of Rouxville has been facing similar challenges as far as bulk water is concerned. The municipality aimed at prioritising running projects prior to commencements of any new projects. A new contractor, Group YWO (Pty) Ltd, was appointed in August 2018 for the completion of the 27km raw water pipeline from the Orange River to Paisley dam after the project has been on hold for more than a year. Work is progressing on site and we anticipate to complete the project in the 2019/20 financial year. In addition to this project, the municipality continued with the implementation of the Upgrading of the Rouxville Water Treatment Works (WTW) which is a multiyear project.

The 2018/19 financial year also saw the municipality completing the design of the Abstraction works to be constructed on the Orange River and equipping of the x2 raw water pump stations in Rouxville. To date ESKOM has been able to provide the electricity connections for the x1 abstraction works and the x2 raw water pump stations. A contractor will be appointed in the 2019/20 financial year to complete the project and have the final scheme functional.

Rouxville and Zastron were the only beneficiaries of bulk water infrastructure upgrades prior the 2018/19 financial year. The municipality appointed a consultant in October 2019 for the designs of Smithfield Scheme. To date the designs are complete and the municipality is awaiting funding confirmation in order to appoint a contractor for work to commence on site. Although no contractor has been appointed, the municipality is currently busy with the Water Use License Application (WULA) and Environmental Impact Assessments (EIA)

The municipality only caters for water services to domestic and commercial users. The municipality does not have agriculture, forestry and industrial sectors.

The Municipality towns can be classified as very rural and therefore does not have industries and agricultural sectors within the municipal water supply network. Most of the water supplied goes to residential areas (\pm 60 percent) with a small percentage (\pm 12 percent) to schools and health facilities like hospital and clinics. About 20 percent of the purified water remains unaccounted for due to losses within the network as well as unmetered supplies.

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	45	54	45	9	16.6%
7 - 9	0	1	0	1	100%
10 - 12	4	4	4	0	0%
13 - 15	1	2	1	1	100%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	50	61	50	11	18%

Water Service Delivery Levels				
Description	Households			
	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)				
Piped water inside dwelling				
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling)	42	42	42	0
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-Minimum Service Level and Above</i>				
Water: (below min level)				
Using public tap (more than 200m from dwelling)				0
Other water supply (more than 200m from dwelling)	255	255	255	

Financial Performance 2018-19: Water Services					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	72366	100189	63689	47125	-113%
Expenditure:					
Employees	13389	15085	15369	14434	-5%
Repairs and Maintenance	3409	1675	1675	702	-139%
Other	44657	5125	5125	4786	-7%
Total Operational Expenditure	61455	21885	22169	19922	-10%
Net Operational Expenditure	(10911)	(78304)	(41520)	(27203)	-188%
					<i>T 3.1.8</i>

Operations and maintenance (O&M) still remains a serious challenge for the municipality as the budget allocated for O&M is not adequate to address all the municipal needs. This results from the municipality's inability to collect adequate revenue for municipal operations.

The completion of the bulk water projects will assist in providing sustainable water supply in order to gain consumer confidence which will result in the community paying for municipal rates and taxes.

3.2 WASTE WATER (SANITATION) PROVISION

The municipality has managed to eradicate all buckets within its jurisdiction however there are still challenges to be addressed on the bulk infrastructure.

The 2018/19 financial year saw the completion of the Upgrading of the Zastron Waste Water Treatment Works (WWTW) which aims at producing an acceptable effluent for discharge. This project will also cater for the extensions such as Ext. 10 and Mooifontein.

Although the Upgrading of the Zastron WWTW is complete, the municipality still faces a challenge with regards to the outfall sewer line and pump stations that keep blocking and overflowing. Thus the municipality has successfully registered a project under the Municipal Infrastructure Grant (MIG) for an amount of R8.9 Million to upgrade the outfall sewer line and pump stations.

Mohokare LM appointed a consultant in order to address the sewer spillages in Refenghotso. The aim is to register a project for commencement upon completion of the sewer line and pump stations upgrade, which is viewed as a long term solution. An interim project was introduced to the community of Refenghotso which entails the installation of Easy flush units for 410 Households. 300 Units were completed in the 2018/19 financial year with the remainder to be

completed in the 2019/20 financial year

A consultant was successfully appointed for the Upgrading of the Roopville Waste Water Treatment Works (WWTW). This project was registered under the MIG to enabled the plant to handle increase amounts of waste water it will be receiving as a result of the upgrades that are currently underway on the bulk water infrastructure. The project will be implemented in the 2019/20 financial year and will only be completed in the 2020/21 financial year.

The Oxidation ponds in Smithfield were upgraded in 2013 and have since not operated at design capacity. This is as a result of the constant blockages experienced on the main lines prohibiting the adequate transportation of the waste water to the oxidation ponds. In order to counter act this challenge, the municipality then appointed a consultant for the upgrading of the main lines. This project will reduce the frequency of blockages and enable the municipality to provide additional sites for residential purposes.

Financial Performance Year 2018-19: Sanitation Services					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	9601	13778	13778	9483	-45%
Expenditure:					
Employees	7101	7004	7004	7509	7%
Repairs and Maintenance	1078	3888	3888	327	-1088%
Other	5156	1838	1838	35	-5181%
Total Operational Expenditure	13335	12729	12729	7871	-62%
Net Operational Expenditure	3735	(1050)	(1050)	(1612)	35%
					T 3.2.8

Employees: Sanitation Services					
Job Level	Year -1	Year0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	39	59	39	20	33.8%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18					
19 - 20					
Total	42	62	42	20	32.2%

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
Formal Settlements						
Total households	1798	1798	1063			54
Level	1798	1798	1063			54
Proportion of households below minimum service level	16,65%	16,65	9,84%	25%	25%	0,51 %

Capital Expenditure 2018-19: Sanitation Services					
Capital Projects	2018-19				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	417 2	417 2	389	-521%	
Upgrading Rouxville of the WWTW	417 2	417 2	389	-521%	522
T 3.2.9					

3.3 ELECTRICITY

The Municipality is the Electricity services authority but it has however appointed CENTLEC (entity of Mangaung Metro) to provide this service on its behalf. Some of the households, mostly in the townships fall within Eskom supply area. The Municipality currently does not have backlogs as all its households have been connected to electricity supply grid. This was achieved through funding from the department of Energy (DoE).

The municipality received funding through the MIG for the installation of 5 High mast lights in Rouxville / Roleleathunya. This project was successfully implemented and completed in the 2018/19 financial year through Centlec as the appointed Implementing Agent (IA). All five (5) high mast lights are operational and has resulted in creating a safer community.

The municipality is in the process of issuing additional residential site which has resulted in an increase with regards to bulk electricity infrastructure. Therefore, the municipality was allocated an amount of R 500 0000.00 through the INEP grant to strengthen its bulk infrastructure network by upgrading the Ou Kragstasie substation. Unfortunately, the municipality was not able to complete the project, however it will be completed in the 2019/20 financial year.

Electricity Service Delivery Levels				
Description	Households			
	Year-3	Year-2	Year-1	Year 0
	ActualNo.	ActualNo.	ActualNo.	ActualNo.
Energy: (above minimum level)				10793
Electricity (at least min.service level)	8667	8867	9681	0
Electricity - prepaid (min.service level)	8667	8667	9681	0
<i>Minimum Service Level and Above sub-total</i>	1926	1926	1112	0
<i>Minimum Service Level and Above Percentage</i>	17,844%	17,884%	10,31%	0
Energy: (below minimum level)				
Electricity (< min.service level)	1926	1926	1112	0
Electricity - prepaid (< min. service level)				
Other energy sources				
<i>Below Minimum Service Level sub-total</i>	1926	1926	1112	0
<i>Below Minimum Service Level Percentage</i>	17,844%	17,884%	10,31%	0
Total number of households	10793	10793	10793	10793

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
Formal Settlements						
Total households	1926	1926	1112			0
Households below minimum service level	17,844%	17,884%	10,31%			0
Proportion of households below minimum service level	1926	1926	1112			0

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 -3					
4 -6					
7 -9					
10 -12	1	1	1	0	0%
13 -15					0%
16 -18					
19 -20					
Total	1	1	1	0	0%

Financial Performance 2018-19: Electricity Services						R'000
Details	2017-18	2018-19				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	972 28	861 38	861 38	747 27	-40%	
Expenditure:						
Employees	460	444	444	530	16%	
Repairs and Maintenance	774 3	–	–	–	0%	
Other	610 28	705 26	705 26	633 27	3%	
Total Operational Expenditure	844 32	149 27	149 27	163 28	4%	
Net Operational Expenditure	871 3	713) (11	713) (11	416	2915%	
						T 3.3.7

Electricity still remained a challenge for the municipality in the 2018/19 financial year due to the following challenges:

1. No signed Service Level Agreement (SLA) with Centlec.
2. No O&M plans received for electricity infrastructure from Centlec.
3. No Electricity Master Plan in place.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING (COMMUNITY SERVICES))

The above division is mainly responsible for removal of waste classified or meant for household and business purposes.

On daily basis once per week, a programme is been implemented and followed to ensure removal of refuse within our communities.

Solid Waste Service Delivery Levels				
Description	Year-3	Year-2	Year-1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above sub-total</i>	2,895	2,685	2,846	2,235
<i>Minimum Service Level and Above percentage</i>	50.9%	47.1%	51.5%	44.8%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124
<i>Below Minimum Service Level sub-total</i>	2,790	3,015	2,678	2,755
<i>Below Minimum Service Level percentage</i>	49.1%	52.9%	48.5%	55.2%
Total number of households	5,685	5,699	5,523	4,991
				T 3.4.2

Employees: Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	29	45	29	16	35.5%
7 - 9	0	1	0	1	100%
10 - 12	7	9	7	0	0%
13 - 15	1	1	1	1	100%
16 - 18					
19 - 20	0	1	0	1	100%
Total	37	57	37	19	33,3%

Financial Performance 2018-19: Solid Waste Management Services					
					R'000
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	881 5	376 8	376 8	838 5	-43%
Expenditure:					
Employees	789 4	521 5	521 5	132 5	-8%
Repairs and Maintenance	29	–	–	–	0%
Other	242 39	100 1	100 1	224	-392%
Total Operational Expenditure	060 44	621 6	621 6	356 5	-24%
Net Operational Expenditure	179 38	755) (1	755) (1	(483)	-264%
					T 3.4.7

3.5 HOUSING

Amongst its objectives, is the registration and management of applicants in need of sites, the allocation thereof, registration and the allocation of houses and to address disputes of houses and sites. All of the above are to reflect on divisions five (5) years Housing Sector Plan reviewed on annual basis. From the beginning of this Council's term, the Municipality has been offered the allocation of houses as per the below table;

Name of Town	Financial Year	Housing units allocated	Name of Contractor	Project Sponsor	Project progress to date
Zastron	2016 to 2018	200	Ithuteng Consulting	Provincial CoGTA	In progress
TOTAL ALLOCATION		200			

Another project in progress is the construction of two roomed houses, which is a project from the Provincial Human Settlement and is monitored by the Province. The Municipality only gets involved when there are complaints from the community about the delays of the completion of the project and then liaise with the Province and contractors on site.

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs informal settlements
Year -3	10276	10276	100%
Year -2	10276	10276	100%
Year -1	10276	10276	100%
Year 0	10793	10276	100%

Financial Performance 2018-19: Housing Services					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	459	815	816	499	-63%
Expenditure:					
Employees	650	1012	1012	736	-38%
Repairs and Maintenance	–	–	–	–	0%
Other	6	30	30	–	0%
Total Operational Expenditure	656	1042	1042	736	-42%
Net Operational Expenditure	197	227	226	237	4%
					T 3.5.5

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Identification of land for housing development	Availability of land and sites for developments	Reduction of backlog on sites and housing
Compilation of register for Applicants	Up to date registers for sites	
Compilation of a register for potential Beneficiaries	Up to date register for housing allocations	
Annual review of the Housing Sector Plan	Reviewed Housing Sector Plan	

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

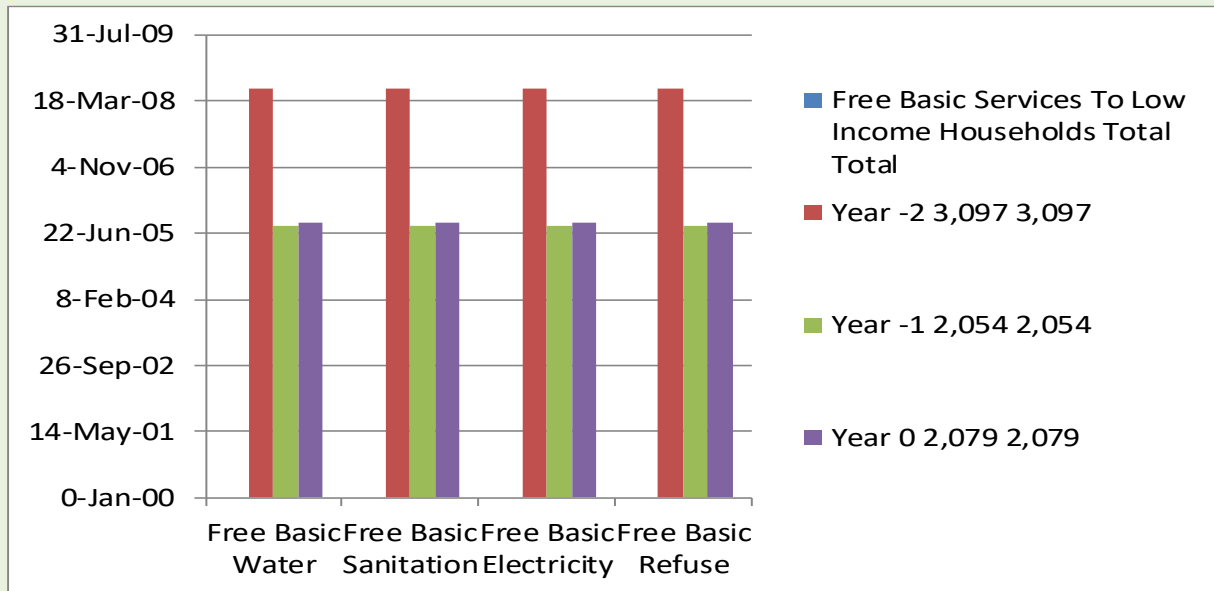
Basic services are generally regarded to be, access to electricity, clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigent qualify for the following free basic services:

- 6kl of free water

- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2014-15	2,054	2,054	2,054	100%	2,054	100%	2,054	100%	2,054	100%
2015-16	2,079	2,079	2,079	100%	2,079	100%	2,079	100%	2,079	100%
2016-17	840	840	840	100%	840	100%	840	100%	840	100%
T 3.6.3										

Financial Performance 2018-19: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2017-18	2018-19			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	521	256	256	521	17%
Waste Water (Sanitation)	195	204	204	195	-1028%
Electricity	–	728	728	–	0%
Rates and Levies	30	600	600	30	-1871%
Waste Management (Solid Waste)	146	258	258	146	-764%
Total	893	045	045	893	-272%
T 3.6.4					

COMPONENT B: ROAD TRANSPORT

The municipality participated in the Rural Roads Asset Management System (RRAMS) which is a forum coordinated by the Xhariep District.

The following municipalities participated:

1. Kopanong LM
2. Mohokare LM
3. Letsemeng LM
4. Xhariep DM
5. Aganang Consulting Engineers

The forum was able to develop a report for council adoption indicating the assessments conducted on all rural roads and the status thereof.

Furthermore, the municipality was able to develop a road maintenance plan and a Roads and Storm Water Master plan which were both adopted by council prior to 30 June 2019.

The municipality remains committed to improving the quality of access roads within its jurisdiction. This has seen the implementation of two projects in the 2018/19 in Rouxville and Zastron.

The following project commenced in the 2018/19 financial year:

1. Zastron / Matlakeng: Construction of 600m Zama access road with related storm water
2. Rouxville / Roleleathunya: Construction of 1.7km access road with related storm water

The above projects are funded through the MIG and will be completed in the 2019/20 financial year.

3.7 ROADS & WASTE WATER (STORM WATER DRAINAGE)

The Municipality has been implementing roads projects in line with its road and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the Municipality still faces challenges on maintenance of existing roads.

Challenges:

- Lack of yellow fleet for maintenance of roads
- Lack of proper storm-water channels which affects roads especially during rainy season
- Insufficient budget for maintenance purposes.

Gravel Road Infrastructure					
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	60	-	5.6	90	
Year -1	60	-	0	120	
Year 0	60	-	2.3	132	
Tarred Road Infrastructure					
Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
Year -2	21	-	-	21	21
Year -1	21	-	-	8	14
Year 0	21	-	-	8	10
				T 3.7.3	

Road; Storm Water					
Job Level	Year-1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0 – 3					
4 – 6	9	20	9	11	55%
7 – 9	0	0	0	0	0%
10 – 12	1	3	1	2	66%
13 – 15	0	0	0	0	0%
16 – 18					
19 – 20					
Total	10	23	10	13	56%

As indicated earlier, the Municipality has been prioritizing its access roads and below are the main projects implemented thus far:

- Upgrading of 2 km access paved road in Rouxville - completed in 2011;
- Upgrading of the 2.9 km paved access road in Matlakeng – completed 2015; and
- Upgrading of 3 km paved access road in Mofulatshepe/Smithfield – the municipality was able to over achieve by 2.6km on this project as 5.6 km was completed.
- New projects entail the construction of the 600m Zama road in Zastron and a construction of 1.7km access road in Rouxville. The roads are to be constructed using block paving.

3.8 TRANSPORT

The Municipality does not have an approved transport plan; however, the plan will be developed once the spatial framework has been completed. Most of the transport functions which includes vehicle licensing and taxi licensing are currently being managed under the provincial government.

3.9 WASTE WATER (STORMWATER DRAINAGE)

The Municipality is currently creating new storm-water channels on the existing residential areas through implementation of new access roads. In the 2013/14 financial year the Municipality constructed a 2 km access road in Rouxville/Roleleathunya and in the 2014/15 constructed 2.9 km access road in Zastron. The Municipality started with a 5 km access road project in Smithfield in April 2016.

The Municipality has not yet upgraded any existing storm-water channels due to huge backlog. Maintenance of the existing storm water channels is currently being done through the Expanded Public Works Program. Below tables indicates the length of storm-water done for the past three years including expenditure thereof:

Storm water Infrastructure				
	Kilometres			
	Total Storm water Measures	New storm water measures	Storm water measures Upgraded	Storm water measures maintained
Year -2	160	0.4	0	30
Year -1	166	1.3	0	26.76
Year 0	166	1.3	0	40

Cost of Construction/Maintenance			
	Storm water Measures		
	New	Upgraded	Maintained
Year -2	0	0	R110 000.00
Year -1	632,800	0	R 120 000.00
Year 0	2,337,396	0	R 158 400.00

The Municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblocked underground storm-water channels in certain sections of Matlakeng/Zastron.

3.10 PLANNING

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

MAIN ELEMENTS OF PLANNING STRATEGY

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes. For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

SPLUMA COMPLIANCE

- Spatial Planning by law;
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Development of a land use scheme for Mookie as per SPLUMA within 4 years (2019).

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Town Planning Schemes
- Building control; and

By-laws

The following by laws assisting in town planning were adopted, in place and are implemented to assist in the management of municipal land.

- Standard Control of Street Vendors, Peddlers and Hawkers By-law;
- Standard Advertising By-Law;
- Standard Informal Settlements By-law; and
- Spatial planning and land use management by-law on municipal land use planning

Policies:

Planning policies were developed in conjunction with the Free State Planning Guidelines (August 2017). The Draft policies were approved by Council in March 2019.

Town planning draft policies.

- Policy on building control
- Policy on national heritage resources
- Policy on planning and environmental guidelines
- Policy on town planning principles in terms of cemeteries
- Policy on spatial planning and land use management
- Policy on student accommodation
- Policy taverns, liquor outlets and licensing
- Policy on telecommunication infrastructure.

ACHIEVEMENTS

The Mookie Land Use Scheme is being drawn up with the assistance of Spatial Planning, COGTA and MISA.

The Mookie Municipality is earmarked for a Farmer Production Support Unit as part of the DRLR (Department of Rural Development and Land Reform's Agra Park project - an initiative through the National Development Plan. A site (Erf 4195) was earmarked at Aston. The site handover was done and construction started during May 2019.

EXTENTION 5 SMITHFIELD

The property preventing the finalization of Ext 5 Smithfield was declared derelict and was legally reverted back to the municipality to conclude the town planning processes as to open the township register. Outstanding is the proclamation to be done by CoGTA.

ESKOM

Eskom's planning division reacted on the information of future development in Mohokare and contracts were signed between Eskom and Mohokare municipality for the upgrade of the Rouxville-Zastron line as well as the construction of a new substation.

Exemption letters was issued to Eskom to facilitate expedited procedures according to sections 16 and 70 of the Mohokare land use and spatial planning bylaw for the registration of servitudes

SANRAL

Contracts were signed between SANRAL and the municipality in terms of portions of land needed for the upgrading of the N6 between Rouxville and Smithfield and also to Reddersburg. Exemption letters was issued to SANRAL to facilitate expedited procedures according to sections 16 and 70 of the Mohokare land use and spatial planning bylaw for the registration of servitudes

UFS

The town planner was invited as an external examiner for mini dissertations by Honours students in Town and Regional Planning. Nine dissertations were marked and reported on to the UFS's Dept. of Town – and Regional Planning.

FREE STATE PLANNING FORUM

The town planner is a member of the SPLUM Forum and attend quarterly meetings. On 2 November 2018, the town planner presented at the Forum on problems experienced in terms of SPLUMA, the implementation thereof in smaller municipalities.

SACPLAN AND CPD POINTS

The concept of CPD (Continuous Professional Development) in town planning was approved by SACPLAN and was instituted in April 2018.

1.2 Definition of CPD

SACPLAN has adopted a definition of CPD that is widely used by professionals operating in the built and natural environments.

CPD is the systematic maintenance, improvement and broadening of knowledge and skills, and the on-going development of personal competencies and qualities necessary for the execution of professional and technical duties throughout a practitioner's working life.

1.3 Rationale and aims of the SACPLAN's CPD Policy

The rationale for CPD is to develop, enhance and maintain professional competency of registered planners to ensure that their technical knowledge base is kept current and improved in an orderly and continuous basis. The CPD Policy is also aimed at:

- harmonising standards and norms in the management and development of the planning profession;
- ensuring improved skills, competencies and performance;
- encouraging a CPD culture among planning professionals;
- addressing professional development limitations within the planning profession; and
- ensuring national relevance, international recognition and professional integrity.

SWOT ANALYSIS

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<p>Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget.</p> <p>Professional planner</p> <p>National and Provincial support SPLUMA – supportive legislation</p> <p>Good working relations with Senior Management Team</p>	<p>Lack of understanding of spatial planning and land use management by local communities No GIS</p> <p>Turn-around time for town planning processes to run its course</p> <p>MPT (Municipal Planning Tribunal) problematic in small municipalities</p>
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<p>Effective implementation of SPLUMA in terms of land use</p> <p>Development and planning opportunities</p> <p>Future growth within the wall-to-wall boundaries of the municipality</p> <p>Smooth Land use management and governance</p>	<p>Illegal occupation of land</p> <p>Inadequate budget for processes of own planning in terms of own land development – e.g. 54 sites in Mofulatsepe</p>

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Identification of land for LED projects as per the project lists in the Spatial Development Framework.2019/20
- Infill planning in Smithfield of the vacant municipal owned properties.
- Investigation into state-owned residential properties for possible transfer to the municipality
- Talks with Transnet in terms of lease agreements between the municipality and Transnet for use of their vacant proprieties and structures for local economic development growth

- Possible funding for the initial investigations and requirements for the development of Mooifontein for residential purposes.

MUNICIPAL PLANNING TRIBUNAL

The Tribunal sat twice in the financial year 2018/19.

The following applications were received and dealt with

Category 1

ZONING AND REZONING, CONSOLIDATION, SUBDIVISION

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
Erf 453 Zastron	Michael John Harfield and Andile Antoinette Harfield	Rezoning	Approved with conditions
Erf 1/55 Zastron	Motheo College	Rezoning	Approved
Erf 704 Zastron	Assemblies of God Movement	Rezoning	Approved
Erf 869 Somido Park	V.K Duda	Consent Use	Approved with conditions

Category 2

ERF NUMBER	OWNER	REQUEST FOR:	ACTION TAKEN
Erf 4195 Zastron	Farmer Production Support Unit	Consent Use	Approved
Farm Orange Dale 389 Zastron	H. Van Zyl	Registration of Right of Way	Approved
Farm portions	SANRAL	Servitude registrations	
Farm portions	ESKOM	Servitude registrations	

LIQUOR LICENSE APPLICATIONS

DATE	APPLICANT	Outlet	TYPE	ADDRESS	TOWN	OUTCOME
11/04/2017	DB NTAU	DITAU TAVERN	TAVERN	ERF 3432 REFENG KHOTSO	MATLAKENG	Not approved. Liquor Board review.
10/10/2017	MP MAZANZI	LWANDO'S LOUNGE	TAVERN	ERF 140	MATLAKENG	Not approved. Liquor Board review – no feedback
08/08/2018	TP RAMAKOKA	MABALENG BOTTLE STORE	LIQUOR STORE	787 SOMIDO PARK	SMITHFIELD	Not approved. Residential property. May request consent for tavern. Liquor Board decision unknown
07/05/2019	RETRO VU DINER	RETRO VU DINER	RESTAURANT	FARM ORANGIA	ROUXVILLE DISTRICT	No feedback
07/05/2019	VANANCO CC WHOLESALERS	TOPS	LIQUOR STORE	cr MAJOZI AND GUSTAVUS STR	ZASTRON	No feedback

The Mohokare municipality experiences problems with the Free State Liquor board's decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem will be addressed through the Free State SPLUM Forum and SALGA.

BUILDING PLAN REGISTER 2018/2019

Date	Invoice	Surname	EFR No.	Town	New Plan	Extension	Approved	Not approved	Comments
12/01/2018	Not Paid	NA.A Mankayi	1688	Matlakeng		x	x		
11/01/2018	Not paid	J. Malan	90	Smithfield		x	x		
		G.J. Marais	720	Zastron		x	x		
		MR. NDODA	10	Zastron		X		X	Single residential use (TPS) Awaits ownership verification and servitude line adherence explained
DATE	Invoice	MRS. N. BHAYI	92	Smithfield	X		X		
22/09/2017	21446	S.D. SMITH	25	Rouxville	X		X		

SERVICE DELIVERY PRIORITIES

Land use applications according to SPLUMA and new E-lodgment format

Constant information is given to the community and individuals on the new Act governing Land use. This was done by devising a new policy based on SPLUMA principles
New application forms have been developed for use in submitting applications.

Problems are currently experienced throughout the Free State in terms of the Municipal Planning Tribunals but municipalities are being assisted by COGTA.

Spatial Development Framework and Land Use Scheme

A LUS Steering Committee as well as a SDF Steering committee were established as per SPLUMA requirements to aid in the development of new documents for the municipality

Meetings were held with Spatial Planning COGTA as well as MISA who is assisting in drawing up the Land Use Scheme for Mohokare as per SPLUMA. Minutes and attendance registers are available.

MEASURES TO IMPROVE SERVICE DELIVERY

1. Make use of the Chief Surveyor General's data and diagrams for encroachment complaints
2. Verification of ownership through the Deeds Office
3. Functioning Municipal Planning Tribunal

Applications for Land Use Development						
Detail	Formalization of townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	1 Ext 5 Smithfield outstanding since 2006		3		0	
Determination made in year of receipt	0		0		0	
Determination made in following year	1 – outstanding is the proclamation of Ext 5		1		0	0
Applications withdrawn	0		0		0	0
Applications outstanding at year end	0		2		0	0

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15	1	1	1	0	0%
16 – 18					
19 – 20					
Total	1	1	1	0	0%

Financial Performance 2018-19: Planning Services (Includes Town Planning, IDP and LED)					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6	–	–	7	0%
Expenditure:					
Employees	5557	5 142	5 142	7 056	27%
Repairs and Maintenance	0	1 100	1 100	–	0%
Other	51	1 029	1 029	8	-13276%
Total Operational Expenditure	5609	7 271	7 271	7 063	-3%
Net Operational Expenditure	5603	7 271	7 271	7 057	-3%
T 3.10.5					

3.11 LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)

Municipalities have a constitutional mandate to promote local economic development (LED). Section 153 of the constitution states that:

A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, to promote the social and economic development of the community.

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

LED STRATEGY

The LED Strategy is under review with the assistance from both COGTA and DESTEA (Research and Planning Unit). The document to go out for public consultations in conjunction with IDP as per the adopted process plan by Council.

HIGH IMPACT PROJECTS

The SMME's Development Policy is review and awaits council adoption and approval, SMME's were also informed of outstanding process of reviewing our LED strategy. However, it was sufficiently agreed that all SMME's must raise their expected LED projects which are tabulated underneath to be incorporated once strategy is being reviewed.

THE IDENTIFIED LED PROJECTS FOR 2018/2019

ZASTRON	ROUXVILLE	SMITHFIELD
Maintenance of the current monuments	Maintenance of the current monuments	Maintenance of the current monuments
Building of other monuments	Building of other monuments	Building of other monuments
Tourism signage	Tourism signage	Tourism signage
Mohokare cycling	Mohokare cycling	Mohokare cycling
Maintenance of recreation parks	Maintenance of recreation parks	Maintenance of recreation parks
Establishment of tourism website in the head office	Establishment of tourism website in the head office	Establishment of tourism website in the head office
Broacher	Broacher	Broacher
Rotation of annual hunting	Rotation of annual hunting	Rotation of annual hunting
Erection of swimming pool	Erection of swimming pool	Erection of swimming pool
Wild games	Wild games	Wild games
Museums	Museums	Museums
Relocation of taxi rank	Building of the taxi rank in	Building of the taxi rank in
	Fuel station	Fuel station/ garage
Hawkers stalls development	Hawkers station development	Hawkers station development
Re-commercialisation of Makhaleng boarder post		
Upgrading of the S2 road	Municipal feedlot	Revival/ resuscitation of the truck stop
Development of tourism hub	Development of tourism hub	Development of tourism hub
Establishment of the shopping complex	Milk processing	Piggery projects
Production of charcoal	Wool processing	Game farming
Textile factory	Poultry farming	Textile factory
Executive car wash	Leather turning	
Crusher stone plant	Lime stone mining	Bricks making project
Meat processing	Office park development	Beef farming
Recycling	Recycling	Recycling
Bakery	Goedemoed gravel road project	Bakery
Bricks making project	Hydroponic projects	Bricks making project
Large vegetable farming	Large scale farming	Large vegetable farming

POVERTY ALLEVIATION SUPPORT

For the current financial year 2018/2019 CWP has been able to create:

186 Adult Men

440 Adult Women

120 Youth Males

286 Youth Females in total: 1032 jobs through its Community Work Program.

The department of Public Works has also created around:

105 jobs through its EPWP initiative.

The municipality through Technical Services projects has created 78 jobs.

FUNDED PROJECTS IN 2018/2019 FINANCIAL YEAR

- Nozamile Sewing Cooperative: funded by Rural development R 800 000.00
- Sand Stone Mining in Zastron: funded by Department of Rural Development and Land Reform R 350 000.00 for the EIA Study
- Hatelang-pele Cooperative: funded Department of Sports, Arts & Culture R 350 000.00

FUNDING APPLICATIONS FOR 2018/2019 FINANCIAL YEAR

The LED unit had ensured that all registered Co-operatives are applying for funding during this 2018/19 financial year while unregistered were encouraged to register so that they could also benefit from department designed funding incentives to suit the needs of various SMMEs, namely Enterprise Development and Support Incentive which targeted start-up enterprises and Risk- Sharing Incentive which is targeting medium to large enterprises. The funding incentives are intended to support economically viable and sustainable enterprises for the development, growth, and transformation of the provincial economy. Application should preferably be from the following priority sector as outlined in the Free State Growth and Development Strategy (FSGDS)

- Information and Communication Technology
- Agro-Processing, Mining and Transport
- Manufacturing and Tourism,

Mohokare LED Unit managed to submit applications during the road-show while the process is still continuing:

200 Department of Land Reform and Rural Development

150 SEDA

5 DESTEA

Total number of applications submitted: 355.

EMPLOYMENT RESEARCH

The rate of unemployment is extremely higher and serious. The LED unit explores new and innovative ways to empower, support and capacitate all SMME's to live up to the ideals of self-employment. Research conducted had revealed that only 18% indigents registered as per municipality indigent register of the entire population in the municipality. This is absolutely very low percentage, as compared to the rate of unemployment, meaning municipality must encourage residents to register as indigents. However, LED unit will continuously support SMME's through all relevant interventions as per attached on LED identified projects as means to create jobs.

COOPERATIVES PROGRAM

Most of SMME's were unprofessionally operating without accessing government funding advantages. Registration of SMME's ensures compliance with legislative requirements. There are three recognised levels of Co-operatives Namely Primary, Secondary and Tertiary. Moreover, we have the following kinds of Co-operatives; Agriculture, Financial Services, Manufacturing, Tourism, Consumer, Transport, Housing, Social, Burial Society, Marketing & Supply and Services. We are having 34 registered Co-operatives in Rouxville 28 in Smithfield and 80 in Zastron, however registration process is continuously happening with the assistance of DESTEA.

AGRO-PROCESSING

The LED unit oversee that the established Local Economic Forums in Zastron, Rouxville and Smithfield in the past financial year that are functional with a sole objective of discussing economic opportunities that Mohokare municipality can create for residents. Moreover, the municipality has been identified as an agrarian area that pride itself with cattle, sheep, pigs and goat farming but residents don't benefit from agricultural opportunities as cow and sheep skin are taken elsewhere for processing instead of being processed locally and create employment. However, Agri Park and Mohokare Farmers Support Unit remain being huge challenges in order to assist emerging farmers about agro-processing opportunities because they are not operational.

TOURISM

Tourism is one of the world fastest growing industries and it has a major influence on the economy and developments in our areas. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho, town of Moleheshoek as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism.

Private investor has been secured to develop tourism infrastructure at our magnificent and attractive mountains. LED unit together with other provincial officials had inspected all establishments in Mohokare, all Bed and Breakfast establishments in Mohokare are in good

conditions, even though others need to be graded and registered. However, the process with Tourism Department is on-going. The underneath table shows number of accommodation establishments and attraction sites at each town:

TOWN	ACCOMODATIONS	ATTRACTIONS
Zastron	15	13
Rouxville	4	5
Smithfield	7	7

COMMERCIALISATION OF MAGALEEN BORDER POST

It is a known fact that the aforesaid boarder post is shared by Zastron town in the Free State Province and Mhaleshoek town of Lesotho country. The S2 road also needs to be upgraded so that travelling between two countries can be easier and accessible for tourists. The project has been presented as part of Small Town Regeneration (STR) Programmes.

SMALL SCALE MINING

It was officially confirmed that the DRDLR is still funding the sandstone mining project which was awarded to our SMME named Zondwa Zintshaba cooperative. The manager from DRDLR Mr Fanyane Mokoena is working on this project.

SMALL TOWNS REGENERATION PROGRAM

Small Town Regeneration (STR) is one of the flagship initiatives of SALGA aimed at targeting small towns as entry points of effective spatial transformation, stimulate economic growth, and create employment. The programme was inaugurated in Bloemfontein in 2015 and then roll-out in the Karoo region in the following year. The Karoo STR is an inter-provincial initiative which strides across provinces i.e. Northern Cape, Western Cape, Eastern Cape & the Free State. 40 Municipalities are participating in this unique interprovincial initiative: 4 of these Municipalities are in Free State these are:

- Xhariep District Municipality
- Mohokare Local Municipality
- Letsemeng Local Municipality
- Kopanong Local Municipality

The council resolution was submitted to SALGA indicating that Mohokare Municipality support this noble initiative and Zastron was a pilot town with identified LED projects. However, the steering committee must be established comprising of all local stakeholders whereby chairperson must be the mayor. The training will be organised for committee members, and terms of reference will be circulated, STR conference will host the 4th conference Municipality is expected to give in-puts.

SALE OF COMMERCIAL LAND

Mohokare Municipality has beautiful and attractive commercial land in all its three towns. In 2018, council approved proposals of inviting potential investors, However, successful bidding investors were leased the land however, the underneath table show commercial land while others will be re-zoned

TOWN	SITE NO
Zastron	654,655,662,663,664,665 and 666
Rouxville	683,684,685,686,687,688 and 689
Smithfield	530 – Next to traffic department 508 – Just next to old Railway station for development only

CONCLUSION

It's a cogent fact that municipality has no budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on contractual basis. Currently, the LED Unit is run by both LED Manager and SMMEs & Tourism Officer who are respectively implementing all LED projects, coordinating LED strategies, objectives and programmes as well as assisting government agencies and statutory institutions with the implementation of SMMEs support programmes to mention but few.

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
Year0 2018/ 2019	1	105
*- Extended Public Works Programme		T3.11.6

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)		None	None	Reports
Year -2	114	None	None	Reports
Year -1	83	None	None	Reports
Year0	1032	None	None	Reports

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
Year -2	3	78
Year -1	3	78
Year0	3	105
*- Extended Public Works Programme		T3.11.6

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0-3					
4-6	0	0	0	0	0%
7-9	0	1	0	1	100%
10-12	1	1	1	0	0%
13-15	1	1	1	0	100%
16-18					
19-20					
Total	2	3	2	1	33%

Financial Performance Year 2015-16: PLANNING DIVISION: Includes Town Planning, IDP and LED					
Details	2014-15	2015-16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-1,688	975,801	988,265	410,816	-138%
Expenditure:					
Employees	1,665,453	2,270,747	3,690,779	947,587	-140%
Repairs and Maintenance	0	0	0	0	0%
Other	372,916	782,340	642,676	30,096	-2499%
Total Operational Expenditure	2,038,369	3,053,087	4,333,455	977,683	-212%
Net Operational Expenditure	2,040,057	2,077,287	3,345,191	566,868	-266%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.10.5

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component is focused on the following; Human Settlements, Commonage Management, Traffic Law Enforcement, Sports and Facilities, Amenities, Solid Waste Management & partly Disaster Management

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

In contexts of our Municipality, this department dedicatedly, serves to bring about changes and developments through the above strategies as mandate through Organizational structure of Mohokare Local Municipality. It is therefore noted under each subcomponent that, amendments from previous report is reflected as an update of the current and functional administration.

3.12 LIBRARIES, COMMUNITY FACILITIES & OTHER

Libraries and its surrounding facilities, are the responsibility of the Provincial Sports, Arts, Culture and Recreation.

SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER

The Municipality through Corporate Services department, is responsible for bookings and for management of Community halls since Libraries has been transferred to the Province through dissolution processes.

All Municipal Employee then assigned to work in that division, has been recalled and reallocated to other positions within the organizational structure.

Employees: Libraries					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12	0	0	0	0	0%
13 – 15					
16 – 18					
19 – 20					
Total	0	0	0	0	0%

Financial Performance 2018-19: Libraries					
					R'000
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	5 232	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	–	–	–	–	0%
Total Operational Expenditure	5 232	–	–	–	0%
Net Operational Expenditure	5 232	–	–	–	0%
					T 3.12.5

There have never been projects planned for the above facilities (Community Facilities) except the upgrading of Mofulatshepe Sports ground. See report or details under sports and facilities.

3.13 CEMETERIES

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries operational in each town due to sites been allocated to its full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality.

To date, we note that there are reports on attendance of departmental monthly meetings from the Management took note of the graves allocated on Municipal cemeteries. hereunder, is the quarterly reports reflecting the above mentioned during the financial year.

Month	Name of Town	Number allocated							No of top on top	Ward Number						Total Graves allocated
		Still born	0-5	6-15	16-21	22-36	37-65	66 Up		1	2	3	4	5	6	
Quarter 1 – 4	Rouxville	1	0	4	0	15	38	22	9	-		-		-	-	89
	Smithfield	0	3	0	2	5	24	22	16	-	-	-	-	-		72
	Zastron	1	0	7	3	3	38	2	6		-		-		-	60
Total number of graves allocated		2	3	11	5	23	100	46	31							221

NOTE BEFORE:

It is brought to the attention of the Public that, the numbers reflected above, are as per the official Municipal graves allocation register from each town and not from any other source. This report is not intended to contravene any other report available or made available to the public.

Financial Performance 2018-19: Cemeteries						R'000
Details	2017-18	2018-19				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	58	17 788	17 788	62	-28427%	
Expenditure:						
Employees	0	-	-	-	0%	
Repairs and Maintenance	0	-	-	-	0%	
Other	0	-	-	-	0%	
Total Operational Expenditure	0	-	-	-	0%	
Net Operational Expenditure	(58)	(17 788)	(17 788)	(62)	-28427%	
						T 3.13.5

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There is a report tabled about the cemeteries as it is what the Municipality is operating and managing.

3.14 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The Municipality does not manage or operate all of the above though there are facilities that through rental agreements, has been dedicated to accommodate this learning institutes.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 ENVIRONMENTAL HEALTH MANAGEMENT

The above, is not a core function of the municipality but the District Municipality; therefore, all the tables in this component are not applicable to the municipality. The reports will respectively reflect under Xhariep District Municipality and department of Health.

COMPONENT F: HEALTH

3.16 HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

This component includes: clinics, ambulances and health inspection and it is not the core-function of the municipality. The reports will respectively reflect under Xhariep District Municipality and department of Health.

COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under department of Community Services, plays a pivotal role in managing traffic and all related aspects, including our roads and assisting both the Province and National spheres of government, when coming to traffic services on the roads they are responsible for. It is within this division again and the Security services, that you see enforcement of the by-laws.

3.17 TRAFFIC SAFETY AND SECURITY

Mohokare Municipality has a dedicated division responsible for traffic control and traffic law enforcement. through this division, amongst its functions, the below mentioned are been brought to the attention of the Management and the Council on quarterly basis.

Under this division, the Municipality focused mainly on the following; visible traffic policing when coming to speed controls, well-staffed (human and technical resources) traffic division. The below table serves as illustrations under the division;

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	
Capacitated division	Enhanced Municipal revenue base.	

Municipal Traffic Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	58	0	73	0
2	Number of by-law infringements attended	0	0	0	0
3	Number of traffic officers in the field on an average day	7	7	6	0
4	Number of traffic officers on duty on an average day	7	7	6	0

Financial Performance 2018-19: Traffic & Police					
					R'000
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	48 401	18 900	33 900	37 874	50%
Expenditure:					
Police Officers					
Other employees	1 922	1 345	1 345	2 687	50%
Repairs and Maintenance	–	–	–	–	0%
Other	198	215	215	166	-30%
Total Operational Expenditure	2 120	1 560	1 560	2 853	45%
Net Operational Expenditure	(46 281)	(17 340)	(32 340)	(35 021)	50%
					T 3.20.5

3.18 FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instance where prompt response and assistance required, the Municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Municipal Disaster Management Plan.

Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	0	0	3	0
2	Total of other incidents attended in the year	0	0	3	0
3	Average turnout time - urban areas	0	0	0	0
4	Average turnout time - rural areas	0	0	0	0
5	Fire fighters in post at year end	0	0	0	0
6	Total fire appliances at year end	0	0	0	0
7	Average number of appliance off the road	0	0	0	0
					T 3.21.2

There have been no disastrous events reported during the financial year.

Financial Performance 2018-19: Fire Services					
					R'000
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Fire fighters					
Other employees	–	–	–	–	0%
Repairs and Maintenance	–	–	–	–	0%
Other	–	80	80	62	-28%
Total Operational Expenditure	–	80	80	62	-28%
Net Operational Expenditure	–	80	80	62	-28%
					T 3.21.5

3.19 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)

Disaster management is a district function in terms of the allocation of powers and functions. The Unit is specifically responsible to assist the Municipality on processes and administration of disaster and its related incidents. Without detracting from the above statement, Municipality, in partnership with both the District Municipality and the Provinces, pay attention to hazmats, road accidents, veld & households' fires, on commercial and commonage farming areas, including the town and townships.

In Managing Disaster, a Plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is being given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

COMPONENT H: SPORT AND RECREATION

Sports in general, is one of the utmost importance with regard to the healthy persona, mentally and physically. Without this in life, life expectants with reference to our Youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the Municipal important strategic goal in this current financial year, attention was brought or given in the below mentioned areas;

SERVICE STATISTICS FOR SPORT AND RECREATION

There are no recorded services statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

3.20 SPORT AND RECREATION

This division is responsible for promotion and management of sports, the management, repairs and maintenance of all sporting facilities under the jurisdiction of the Municipality. Credit is not taken away from our Sister departments in every level provided to the Municipality on annual basis.

Through our own internal competence and assistance of XDM and the Province (SACR), we managed to develop a draft Policy on

- Management and Use of Municipal Sports facilities and currently
- Upgrading Zama Sports in Matlakeng, Zastron

Priorities progress/outcome

The upgrading has been completed and the field is being used for sporting activities

Employees: Sport and Recreation					
	Year -1		Year 0		
Job Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6	0	1	0	1	100%
7-9					
10-12	1	1	1	1	0%
13-15					
16-18					
19-20					
Total	1	2	1	2	50%

Financial Performance 2018-19: Sport and Recreation					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	250	–	–	–	0%
Expenditure:					
Employees	383	452	452	466	3%
Repairs and Maintenance	–	–	–	–	0%
Other	267	145	145	82	-76%
Total Operational Expenditure	650	597	597	548	-9%
Net Operational Expenditure	400	597	597	548	-9%
T 3.23.4					

It is clear from the KPA itself that the wellbeing of us is dependent on local area planning and such has to be realized. Having said that, Municipality through CWP (Community Works Programme) and Xhariep District Municipality 's EPWP, have identified specific strategic location in developing the Community Park. Testimony thereto will be the main entrance into Smithfield, Rouxville and Zastron main entrances into the Towns. The upgrading of stadium in Smithfield also bears testimony.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

CORPORATE GOVERNANCE

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

Mohokare Local Municipality applies the requirements of King III with the main focus areas:

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

The municipality has made strides in its role of ensuring the following is in place:

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers are conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Employee: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 15	12	15	12	3	20%
16 – 18					
19 – 20					
Total	12	15	12	3	20%

Financial Performance 2018-19: Municipal Manager					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	807	989	989	1 491	34%
Repairs and Maintenance	–	–	–	–	0%
Other	5	120	120	68	-75%
Total Operational Expenditure	812	1 109	1 109	1 559	29%
Net Operational Expenditure	812	1 109	1 109	1 559	29%
T 3.24.5					

3.21 FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Capacity in the reporting of financial matters making use of in-house capacity relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services has been achieved in spite of severe financial constraints.

The major constraints being:

Poor cash-flow:

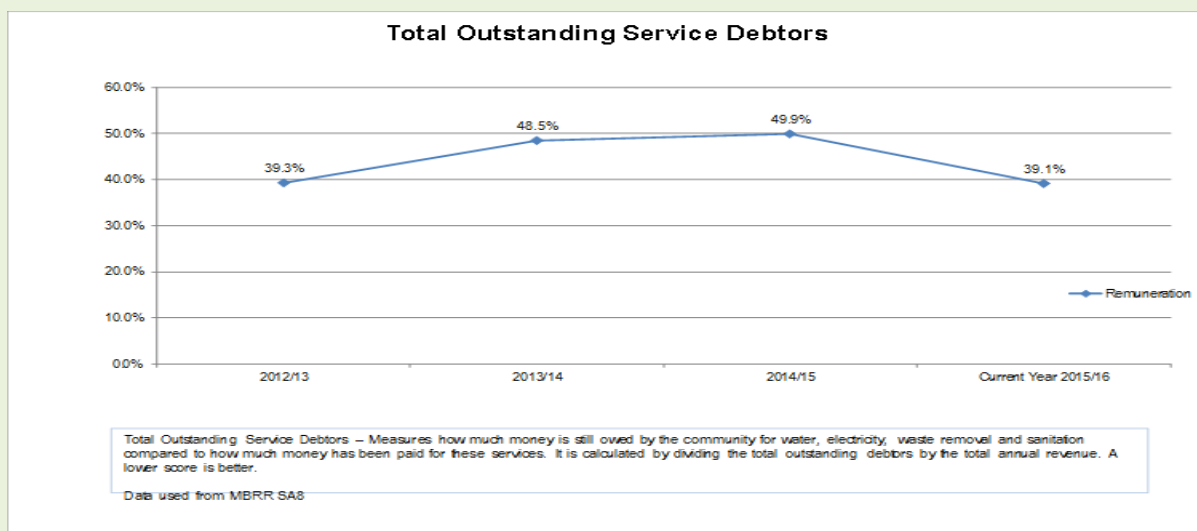
- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

Low payment rate.

The payment rate is set out in graph below, i.e. 39.1%

- The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
- Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
- The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
- The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
- The lack of capacitated staff to undertake credit control and debt collection.

This will be further illustrated below.



Employees: Financial Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					0%
4 – 6	19	24	19	5	21%
7 – 9	1	1	1	0	0%
10 - 12	16	18	16	2	11%
13 - 15	2	2	2	0	0%
16 - 18					
19 - 20					
Total	38	45	38	7	16%

Financial Performance 2018-19: Financial Services					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	92 673	84 862	80 162	100 209	15%
Expenditure:					
Employees	9 974	11 500	12 336	11 428	-1%
Repairs and Maintenance	3	–	–	–	0%
Other	24 607	73 440	66 240	129 926	43%
Total Operational Expenditure	34 584	84 940	78 576	141 355	40%
Net Operational Expenditure	(58 089)	79	(1 585)	41 146	100%
T 3.25.5					

3.22 HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

The principal objectives of the HRM can be listed as the following but not limited to:

- To help the organisation reach its goals;
- To employ the skills and abilities of the workforce efficiently
- To provide the organisation with well trained and well-motivated employees;
- To increase to the fullest, the employees job satisfaction and self-actualization
- To communicate the HR policies to all employees
- To be ethically and socially responsible to the needs of the society.
- To develop and maintain a quality of work force.

In the year ahead work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

Employees: Human Resources Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime	Vacancies (as a % of
	No.	No.	No.	No.	%
0 - 3					
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	4	3	1	33%
13 - 15	0	1	0	1	100%
16 - 18					
19 - 20					
Total	3	5	3	2	66%

Financial Performance 2018-19: Human Resource Services					
					R'000
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	1 387	1 775	1 775	1 436	-24%
Repairs and Maintenance	1	–	–	–	0%
Other	12	420	420	218	-93%
Total Operational Expenditure	1 400	2 195	2 195	1 654	-33%
Net Operational Expenditure	1 400	2 195	2 195	1 654	-33%
					T 3.26.5

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following.

The Client Services function is responsible for help desk and desktop support services.

The Network Services function is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to assure adequate security measures are in place to protect the municipality's network from unauthorized access.

The Website and Application Services function is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS) solutions; maintenance and upgrade of existing systems; architectures, software and database standards; web development;

The Server Administration Services function is responsible to design, install, administer.

IT Governance and Administration function is “hidden” but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA’s and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality’s IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes that bring about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user’s information. Provide for increased protection of user’s information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

In the year 2017/2018, the ICT Unit initiated a scholarly project to revise its current ICT Policies and Strategies in order to provide guidance on how ICT is controlled and directed to facilitated the strategic goals of the municipality.

This included the following policies and strategies:

- ICT Security policy
- ICT Assets Control & Disposal Policy
- ICT Internet Usage Policy
- ICT Change management policy
- ICT Password policy

- ICT Backup Policy
- ICT Disaster Recovery policy
- ICT Network Policy
- ICT Email Usage Policy
- ICT Telephone Policy
- ICT Operating System Security Controls Policy
- ICT Printing Policy
- ICT Mobile and Gadget Policy
- ICT Disaster Recovery & Business Continuity Plan
- ICT Strategic Plan
- ICT Governance Policy Framework

Employees: ICT Services					
Job Level	Year -1	Year			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12	2	2	2	0	0%
13-15	1	1	1	0	0%
16-18					
19-20					
Total	3	3	3	0	0%

Financial Performance 2018-19: Information Technology					
R'000					
Details	2017-18	2018-19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0%
Expenditure:					
Employees	819	928	928	961	3%
Repairs and Maintenance	–	–	–	–	0%
Other	6	2 660	2 660	181	-1369%
Total Operational Expenditure	825	3 588	3 588	1 142	-214%
Net Operational Expenditure	825	3 588	3 588	1 142	-214%
					T 3.27.5

ANNUAL PERFORMANCE REPORT

2018/2019

This APR is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000. The 2018/2019 APR is based on audited information.

INTRODUCTION

The Annual Performance Report is hereby submitted to the Mohokare Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2018 to 30 June 2019 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2018/2019.

This report will also endeavour to report to Council the Municipality's performance in terms of the five (5) National Government's Strategic key Performance Areas for local government, which are

- (1) Basic Service Delivery;*
- (2) Local Economic Development;*
- (3) Municipal Institutional Transformation and Development;*
- (4) Municipal Financial Viability and Management and*
- (5) Good Governance and Public Participation.*

LEGAL REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows: (1) A municipality must prepare for each financial year a performance report reflecting—

- (a) the performance of the Municipality and each external service provider during that financial year;*
- (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
- (c) measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2017/2018

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	41	31	10	76%
Finance Department	17	16	1	94%
Corporate Services	13	11	2	85%
Community Services	13	6	7	46%
Technical Services	21	6	15	29%
	105	70	33	66%

SUMMARY OF MUNICIPAL PERFORMANCE PER DEPARTMENT 2018/2019

Directorate	Number of set target	Number of achieved targets	Number of not achieved	Percentage
Office of the Municipal Manager	30	12	19	40%
Finance Department	20	4	16	20%
Corporate Services	23	7	16	30%
Community Services	13	0	13	0%
Technical Services	20	5	15	25%
	106	28	79	26%

ANNUAL PERFORMANCE REPORT

2018/2019

LOCAL ECONOMIC DEVELOPMENT

KP A N o	Key Performa nce Area	Munici pal Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departmen tal)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reason for deviati on	Correcti ve measur e to be taken	#REF
5	Local Economi c Develop ment	Local Econo mic develo pment	Enhanceme nt of the municipalit y's local economy	S O 2	5 year LED Strategy develope d by December 2018	5 year LED Strategy develop ed by Decemb er 2018	2017/18 LED Strateg y	-	5 year LED Strate gy devel oped and appro ved by Coun cil by Dece mber 2018	-	-	Council Resoluti on and copy of the adopte d strategy	Not Achiev ed Draft was reviewe d	Due to non- sitting of Sec79 and Council	Adhere nce to the approv ed Sec 79 and Council schedul e	-
	Local Economi c Develop ment	Local Econo mic develo pment	Enhanceme nt of the municipalit y's local economy	S O 2	12 Business expos conducte d to assist cooperati ves and SMMEs per town	12 Business expos conduct ed to assist coopera tives and SMMEs per town	4 Busines s expos condu cted	Condu ct 1 business expo per town by Sep 2018	Condu ct 1 busine ss expo per town by Dec 2018	Conduct 1 business expo per town by March 2019	Condu ct 1 busin ess expo per town by June 2019	Invites and attend ance registers	Over Achiev ed 21 expos were conduc ted	-	-	A

KP A N o	Key Performa nce Area	Munici pal Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departmen tal)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reason for deviati on	Correcti ve measur e to be taken	#REF
5	Local Economi c Develop ment	Local Econo mic develo pment	Enhanceme nt of the municipalit y's local economy	S O 2	Reviewed SMME support Policy by June 2019	Reviewe d SMMES support Policy by June 2019	SMME Policy 2017/18 review ed	-	-	Submit the develop ed draft Policy to Council by March 2019	Submi t the devel oped final Policy to Coun cil by May 2019	Council Resoluti on and copy of the Policy	Not Achiev ed Draft was reviewe d	Due to non- sitting of Sec79 and Council	Adhere nce to the approv ed Sec 79 and Council schedul e	-
5	Local Economi c Develop ment	Local Econo mic develo pment	Enhanceme nt of the municipalit y's local economy	S O 2	Develope d and approved Tourism Policy Policy by December 2018	Develop ed and approve d Tourism Policy by Decemb er 2018	New KPI	-	Devel oped and appro ved Touris m Policy by Dece mber 2018	-	-	Approv ed Policy Council Resoluti on	Not Achiev ed	Awaitin g assistan ce from Depart ment of Tourism	Stakeh olders engage ments taking place	-

TOWN PLANNING

KP A N o	Key Performan ce Area	Munici pal Strate gic Object ive (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason for deviatio n	Correcti ve measur e to be taken	#REF
3	Good governan ce& Administr ation	Good governan ce in Moyo kare	100% compliance to SPLUMA	S O 4	Developm ent of SPLUM Policy by June 2019	Develo ped SPLUM Policy by June 2018	2017/1 8 Appro ved SPLUM Policy	-	-	Submit the draft Policy to Section 79 and Counci l by March 2019	Submit the final Policy to Council by May 2019	Counc il Resolut ion and copy of the policy	Not Achiev ed	Due to non- sitting of Sec 79 on time policy was submitt ed to Sec 79 on the 13th of June 2019	To be tabled to Council in the next Council meetin g	-
					Review the 4 Town Planning Policies by June 2019	4 Policies reviewe d and approv ed by Council	New kip	-	-	Draft policies submitt ed to Counci l by March 2019	Final reviewe d policies submitt ed and approv ed by Council by June 2019	Counc il Resolut ion Appro ved policie s	Not Achiev ed	Due to non- sitting of Sec 79 on time policy was submitt ed to Sec 79 on the 13th of June 2019	To be tabled to Council in the next Council meetin g	-

KP A N o	Key Performan ce Area	Munici pal Strate gic Object ive (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason for deviation	Correcti ve measur e to be taken	#REF
					Reviewed Spatial Development Framework by June 2019	Review ed SDF by June 2019	2017/2018 SDF	-	-	Submit the draft update d project list in the SDF to Council I by March 2019	Submit the final update d project list in the SDF to Council by May 2019	Council Resolut ion and Copy of the updat ed project list	Achieved	-	-	B
3	Good governan ce& Administr ation	Good governan ce in Moho kare	100% compliance to SPLUMA	S O 4	Conduct 1 Municipal Planning Tribunal meeting by June 2019	1 Municip al Plannin g Tribunal conduc ted by June 2019	New KPI	-	-	-	1 Municip al Plannin g Tribunal conduc ted by June 2019	Attend ance register s Minute s/repor t	Not Achieved	Due to non-availabi lity of membe rs	To be schedul ed in the next quarter	-
3	Good Governan ce and public participati on	Good Governan ce and public partici pation	To instil good governance in all Municipal operations, ensure public participation and provide	S O 4	% - implement ation of action plan to mitigate identified	100% of identifie d risks mitigat ed by June 2019	17/18 mitigat ed risks	1 Quarte rly monito ring of identifi ed risks report	1 Quarte rly monito ring of identifi ed risks report	1 Quarte rly monito ring of identifi ed risks report	1 Quarterl y monito ring of identifie d risks report	Acknowl edg ment of receipt Monito	Not achieved	-	-	-

KP A N o	Key Performan ce Area	Munici pal Strate gic Object ive (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason for deviatio n	Correcti ve measur e to be taken	#REF
			critical strategic support to MLM		risks (Output)							ring tool templa te				

RISK MANAGEMENT

KP A N o	Key Performa nce Area	Municip al Strategic Objectiv e (SOs)	Municipal Strategic Objective (Departme ntal)	S O N o	Key performan ce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reason for deviati on	Correct ive measur es to be taken	#REF
3	Good governan ce and administr ation	Good governan ce in Mohokar e	To evaluate the effectiven ess of Risk managem ent, control and governanc e processes and develop actions to address key risks identified	S O 4	Reviewed Enterprise Risk Managem ent Policies (Risk Managem ent Strategy and Framework , Fraud and Anticorrupt ion Strategy, Risk Managem ent Committee Charter	Reviewed Enterprise Risk Managem ent Policies	Reviewed Enterprise Risk Manage ment Policies	Submiss ion of 2018/20 19 Policies to RMC & AC for approv al by Septem ber 2018	-	-	-	Attend ance register and minutes from RMC and AC Council resoluti on and copy of the adop ted policies	Achiev ed The target was achiev ed during the 2 nd quarter	Non- sitting of the RMC	Imple mentati on of the RMC schedu le	C
					Implement ation of the Reviewed 2018/2019 Risk Register by June 2019	Implement ation of the Reviewed 2018/2019 Risk Register by June 2019	2018/19 Risk Register	Assessm ent of levels of Municip al Risk Appetit e and Risk Toleran ce by Septem ber 2018	Quarterl y Risk Assessm ents held with departm ents	Qua rterly Risk Asses ments held with depart ments	Qua rterly Risk Asses ments held with depart ments	Quarte rly monitor ing reports Attend ance register s	Not Achiev ed	Non- functio ning RMC	Imple mentati on of the RMC schedu le	-

3	Good governance and public participation	Good Governance and public participation			Reviewed 2018/2019 Risk Register by June 2018	Reviewed and approved 2018/2019 risk register	2018/2019 risk register	Approved Risk register by September 2018	Quarterly Risk Assessments held with departments to update the risk register	Quarterly Risk Assessments held with departments	Quarterly Risk Assessments held with departments	Assessment report, minutes : attendance registers (RMC and Assessments held); approved risk register	Partially Achieved The register was approved	Non-functioning of the RMC.	Implementation of the RMC schedule	D
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INTERNAL AUDIT

K P A N *O	Key Perform ance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performance indicator (s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual achievement	Reason for deviation	Corrective measures to be taken	#REF
3	Good governance and public participation	Good Governance and public participation	Maintaining and improving the Municipal Audit Opinion	S O 4	Review Internal Audit Charter and Manual for approval by July 2018	Review 2018/2 019 Internal Audit Charter by July 2018	Adopted and reviewed 2017/2 018 Internal Audit charter	Review of Internal Charter and Manual by July 2018	-	-	-	Approved Internal Audit Charter, and Manual Attendance register and minutes	Achieved	-	-	E
					Reviewed 2019/2020 Internal Audit Charter and Manual for approval by June 2019	Review and approve 2019/2020 Internal Audit Charter by June 2019	Adopted and reviewed 2018/2 019 Internal Audit charter	-	-	-	Review of Internal Charter and Manual by June 2019	Approved Internal Audit Charter, and Manual Attendance register and minutes	Not Achieved	The Audit and Performance Committee did not convene	During the upcoming meeting schedule of meetings will be drafted and approved by the Committee	-

K P A N *o	Key Perform ance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performance indicator (s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual achievement	Reason for deviation	Corrective measures to be taken	#REF
					Reviewed and approved Audit Committee Charter by July 2018	Reviewed and approved Audit Committee Charter by July 2018	2017/2018 Audit Committee Charter	Submission of the reviewed Audit Committee Charter to Council for Approval by July 2018	-	-	Submission of the reviewed Audit Committee Charter to Council for Approval by June 2019	Approved Audit Committee Charter	Not Achieved	The Audit and Performance Committee did not sit and was not fully functional during the financial year and thus did not report to Council	Council meetings will be scheduled before Council to enable the Committee to report during Council meetings	-
					Develop and submit Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Adopted 2017/2018 Internal Audit Coverage Plan	Approved 2018/2019 Internal Audit Coverage Plan by August 2018	-	Review the 2018/2019 Internal Audit Coverage Plan by March 2019	Approved 2019/2020 Internal Audit Coverage Plan by June 2019	Approved Internal Audit Coverage Plan, Attendance register & minutes.	Not Achieved	The Audit and Performance committee did not convene	During the upcoming meeting a schedule of meetings will be drafted and approved by the Committee	-

K P A N *o	Key Perform ance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performance indicator (s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual achievement	Reason for deviation	Corrective measures to be taken	#REF
3	Good Governance and public participation	Good Governance and public participation	To instill good governance in all Municipal operations , ensure public participation and provide critical strategic support to the municipality	S O 4	% - implementation of action plan to mitigate identified risks (Output)	100% of identified risks mitigated by June 2018	16/17 mitigated risks	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	Acknowledgment of receipt Monitoring tool template	Not Achieved	Non-functioning RMC	Implementation of the RMC schedule	-

PERFORMANCE MANAGEMENT SYSTEMS DEPARTMENT-

KP A N o	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performa nce indicator(s)	Annual Target	Baseli ne	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reaso ns for deviat ions	Corre ctive meas ures to be taken	#REF
3	Good governance & Administration	Good governanc e in Mohokare	100% monitoring and evaluation of the municipality' s Performance	S O 4	2018/2019 Organisational performance management system policy reviewed by May 2019	Review PMS policy framework	2017/2018A pproved PMS policy Framework	-	-	Submit the draft 2019/2020 PMS Policy to Council by March 2019	Submit the final 2019/2020 PMS Policy to Council by May 2019	Council resolution and electronic copy of the reviewed policy	Achieved	-	-	G
3				S O 4	Submission of the draft Annual report and the annual performance report for 2015/16 to the Auditor General by 31 August 2018	Submitted draft Annual report, annual performance report by 31st of August 2018	Annual report, annual performance report submitted on the 31 August 2018	Submit draft Annual report, annual performance report on 31st of August 2018	-	-	-	Acknowledgement of receipt	Achieved Though submitted in September	-	-	H

KP A N o	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performa nce indicator(s)	Annual Target	Baseli ne	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reaso ns for deviat ions	Corre ctive meas ures to be taken	#REF
3	Good governance& Administration	Good governanc e in Mohokare	100% monitoring and evaluation of the municipality' s Performance	S O 4	Develope d 2019/202 0 SDBIP by June 2019	Develope d 2019/202 0 SDBIP by June 2019	2017/ 2018 SDBIP	-	-	Draft 2019/202 0 SDBIP submitted to Council by March 2019	Submit develo ped 2019/20 20 SDBIP to Mayor within 28 days after the approv al of the Budget	Approve d SDBIP	Achiev ed			I
					Develope d Mid- year report submitted to Council by 25 January 2019	Mid-year report submitted to Council by 25 January 2019	2017/ 2018 Mid- year report	-	-	Mid-year report develope d and submitted to Council by 25 Jan '19	-	Adopted Mid-year report	Achiev ed			J
			Ensuring 100% compliance to MFMA, MSA and Circular 63 & 32	Develope d and adopted adjustme nt SDBIP and submitted to Council by 28 Feb 2019	Adjusted SDBIP and adopted by Council in Feb 2019	2017/ 2018 Adjust ed SDBIP	-	-	Develope d and approve d 18/19 Adjusted SDBIP by Council by 28 Feb 2019	-	Approve d Adjusted SDBIP	Achiev ed Approv ed on the 14 th of March	Due to non- sitting of Coun cil	Adher ence to the approv ed Coun cil sched ule	K	
				Tabled AR and	Tabled Annual	Annu al	-	-	Table Annual	-	Council resolution	Not Achiev	Audit proce	Adher ence	-	

KP A N o	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performa nce indicator(s)	Annual Target	Baseli ne	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reaso ns for deviat ions	Corre ctive meas ures to be taken	#REF
					APR to Council by 25 January 2019	Report and Annual Performance Report by the 25 January 2019	report , annual performance Report table d on the 29 January 2019			Report and Annual Performance Report by the 25 January 2019		and electronic copy of AR & APR	ed	sses took longer than the legislated timeframe	to legislation	
3	Good Governance and public participation	Good Governance and public participation		S O 4	Review of 2018/19 Suppliers and Service Providers monitoring Policy by March 2018	Review of 2018/19 Suppliers and Service Providers monitoring Policy by March 2018	Service Provider 17/18	-	-	Review of 2018/19 Suppliers and Service Providers monitoring Policy by March 2019	-	Adopted policy, and Council resolution	Target Achieved Though the policy was taken to Sec 79 on the	-	-	L
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the	S O 4	% - implementation of action plan to mitigate identified risks (Output)	100% of identified risks mitigated by June 2019	17/18 mitigated risks	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	Acknowledgment of receipt Monitoring tool template	Not achieved	Non – compliance to Risk	Adherence to Risk Compliance	-

KP A N o	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performa nce indicator(s)	Annual Target	Baseli ne	Q1	Q2	Q3	Q4	POE	Actual achiev ement	Reaso ns for deviat ions	Corre ctive meas ures to be taken	#REF
			municipality													
3	Good Governance and public participation	Good Governanc e and public participatio n	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	S O 4	Improve ment in Audit Opinion (Outcom e)	Improve ment in Audit opinion (Unqualifi ed)	16/17 Audit opinio n	1 Quarterl y Implem entatio n and monitori ng Audit action Plan report	1 Quarterl y Implem entatio n and monitori ng Audit action Plan report	1 Quarterly Impleme ntation and monitorin g Audit action Plan report	1 Quarterl y Implem entatio n and monitori ng Audit action Plan report	AG report. Audit action plan report	Not Achiev ed	Audit proces ses took longer than the legisl ated timefr ame	Adher ence to legisl ation	

INTERGRATED DEVELOPMENT PLAN (IDP)

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures to be taken	#REF
3	Good governance & Administration	Good governance in Mohokare	To implement a ranking and rating system for all new capital projects to support the strategic objectives and priorities of Council and Community	S O 4	Reviewed and approved IDP by May 2019	Reviewed and approved IDP	Approved 2017/18 IDP	Approved IDP Process plan by August 2018	Establishment of Rep Forum	Submit draft IDP to Council by March 2019 for 2019/20 FY	Submit final IDP to Council for adoption by May 2019	Council resolution And electronic copy of the IDP.	Achieved	-	-	M
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	S O 4	% - implementation n of action plan to mitigate identified risks (Output)	100% of identified risks mitigated by June 2018	16/17 mitigated risks	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	Acknowledgment of receipt Monitoring tool template	Not achieved	-	-	-

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures to be taken	#REF
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	S O 4	Improvement in Audit Opinion (Outcome)	Improvement in Audit opinion (Unqualified)	17/18 Audit opinion	1 Quarterly Implementation and monitoring Audit action Plan report	1 Quarterly Implementation and monitoring Audit action Plan report	1 Quarterly Implementation and monitoring Audit action Plan report	1 Quarterly Implementation and monitoring Audit action Plan report	AG report. Audit action plan report	Not achieved	-	-	-
3	Good Governance and public participation	Good Governance and public participation		S O 4	Monthly Back to Basics reports compiled and submitted to CoGTA.	12 monthly Back to Basics reports submitted to CoGTA and National Treasury reports by 30 June 2019	New KPI	X3 monthly B2B report submitted to National Treasury and CGTAo	X3 monthly B2B report submitted to National Treasury and CoGTA	X3 monthly B2B report submitted to National Treasury and CoGTA	X3 monthly B2B report submitted to National Treasury and CoGTA	Proof of submission Acknowledgement of receipt	Achieved	-	-	N

TECHNICAL SERVICES DEPARTMENT

KP A N O.	Key Performan ce Area	Municipal Strategic KPA	Municipal Strategic Objective(S Os)	S O N o.	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achieve ment	Reasons for deviatio n	Correcti ve measure s to be taken	#REF
1	Basic Service Delivery and Infrastruct ure developm ent	Deliver sustainab le services that are on or above RDP level	Provision of Project Managem ent services to the Municipality 2017/18	S O 1	To execute work amounting to R 32 000 000.00 on RBIG (Regional Bulk Infrastructure Grant) by 30 June 2019	R 32 000 000.00 to be certified as work done 30 June 2019	New KPI	R 7 600 000.00 work to be certified as complete	R 16 720 000.00 work to be certified as complete	R 24 000 000.000 work to be certified as complete by end of March 2019	R 32 000 000.00 work to be certified as complete by end of June 2019	Payment certificat e from Engineer s (External projects) & PMU (Internal projects)	Not Achieve d Actual Achieve ment R17 800 208	Internal cash flow resulting in use of capital grants for municip al operatio nal use which resulted in project being placed on suspensi on until 30 June 2019	1. MLM to apply for a roll over for the remain ing balance of R 16 199 792 2. MLM to impleme nt revenue enhance ment strategy to minimise the use of capital grants to funds municip al operatio ns	File 1 – O 1. Division of Revenue Bill 2.Allocat ion and reallocat ion letter 3. Grants Register 4. Payment Voucher s 5. Payment certificat e

KP A N O.	Key Performan ce Area	Municipal Strategic KPA	Municipal Strategic Objective(\$ Os)	S O N o.	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achieve ment	Reasons for deviatio n	Correcti ve measure s to be taken	#REF
				S O 1	To execute work amounting to R 17 000 000 on the WSIG (Water Services Infrastructure Grant) by 30 June 2019	R 17 000 000 to be certified as work done by 30 June 2019	New KPI	R 9 700 000.00 work to be certified as complete	R 21 340 000.00 work to be certified as complete	R 12 750 000 work to be certified as complete by end of March 2019	R 17 000 000.00 work to be certified as complete by end of June 2019	Payment certificate from Engineers (External projects) & PMU (Internal projects)	Not achieved Actual Achievement of R13 241 639.33	Internal cash flow resulting in use of capital grants for municipal operational use which resulted in project being placed on suspension until 30 June 2019	1. MLM to apply for a roll over for the remaining balance of R 3 758 360.67 2. MLM to implement revenue enhancement strategy to minimise the use of capital grants to fund municipal operations	File 1 – P 1. Division of Revenue Bill 2. Allocation and reallocation letter 3. Grants Register 4. Payment Vouchers 4. Payment certificate

KP A N O.	Key Performan ce Area	Municipal Strategic KPA	Municipal Strategic Objective(\$ Os)	S O N o.	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achieve ment	Reasons for deviatio n	Correcti ve measure s to be taken	#REF
1	Basic Service Delivery and Infrastruct ure developm ent	Deliver sustainab le services that are on or above RDP level	Provision of Project Manageme nt services to the Municipality 2017/18	S O 1	To execute work amounting to R 17 708 000.00 on MIG(Municip al Infrastructure Grant) by 30 June 2019	R 17 708 000.00 to be certified as work done by 30 June 2019	New KPI	R 3 541 600.00 work to be certified as complete	R 8 023 840.00 work to be certified as complete	R 7 791 520.00 work to be certified as complete by end of March 2019	R 17 708 000.00 work to be certified as complete by end of June 2019	Payment certificat e from Engineer s (External projects) & PMU (Internal projects)	Not achieve d Actual Achieve ment	Internal cash flow resulting in use of capital grants for municip al operatio nal use which resulted in project being placed on suspensi on until 30 June 2019	1. MLM to apply for a roll over for the remain ing balance of R 5 080750.0 7 2. MLM to impleme nt revenue enhance ment strategy to minimise the use of capital grants to funds municip al operatio ns	File 1 - Q 1.Divisio n of Revenue Bill 2. Grants Register 3. Payment Voucher s 4. Payment certificat e

KP A No .	Key Performan ce Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achievem ent	Reasons for deviation	Corrective measures to be taken	#REF
1			Provision of trafficable roads	S O 1	Phase 1: Upgrading of 1.7km access roads in Roleleathu nya	Project to be practical complet e by 30 June 2019	Contra ctor appoint ed & On site	44% physical progress on site	72% Physical progres s on site	40% physica l progres s on site by March 2019	Project to be practical ly complet e by 30 June 2019	1. Monthly progress reports from MISA (Municipa l Infrastruct ure Support Agency) 2. Practical completi on certificat e	Not achieved Actual achievem ent 65%	Project was placed on suspension since April 2019 to 30June 2019 due to unavailability of funds	1.Council approved new completion date 2.Allocatio n provided I the 2019/20 Implement ation plan to complete the project	File 1 –R 1.Progress reports- Engineerin g Aces 2.Site Visits Report
				S O 1	Phase 2: Upgrading of 2km access roads in Roleleathu nya	Completi on of prelimina ry design report by 30 June 2019	Engine ers appoint ed & Project register ed for Implem entatio n	-	15% Physical progres s on site	-	Completi on of prelimina ry design report by 30 June 2019	Preliminar y design report	Not Achieved Phase 1 still in progress	Project was placed on suspension due to Phase 1 being incomplete	1.Council approved new completion date 2.Allocatio n provided I the 2019/20 Implement ation plan to complete the project	File 2 – S 1.Registrati on of project

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
				S O 1	Upgrading of the 0.6km Zama access road in Matlakeng	Practical completion of the project by 30 June 2019	72% Physical progress on site	Practical Completion	-	-	Project to be practically complete by 30 June 2019	1. Monthly progress reports from consultant 2. Practical completion certificate	Not Achieved Actual Achievement 86%	Project was placed on suspension due to Phase 1 being incomplete	1.Council approved new completion date 2.Allocation provided in the 2019/20 Implementation plan to complete the project	File 2 - T 1.Progress Report(3)
1	Basic Service delivery and Infrastructure development	Deliver sustainable services that are on or above RDP level	Provision of sports & recreation facilities	S O 1	Roleleathunya: Construction of a sports ground	Phase 2: 44% physical progress on site by 30 June 2019	Phase 1 complete	-	-	-	Phase 2: 44% physical progress on site	Monthly progress reports from consultant	Not Achieved P	Project was placed on suspension since April 2019 to 30 June 2019 due to unavailability of funds	1.Council approved new completion date 2.Allocation provided in the 2019/20 Implementation plan to complete the project	File 2 - U
1	Basic Service delivery and Infrastructure development	Deliver sustainable services that are on or above RDP level	Provision of trafficable roads	S O 1	Road and Storm water maintenance plan	Review of Road and storm water maintenance plan by 30 June 2019	2017/18 approved maintenance plan	Re-gravelling of 1km	Re-gravelling of 1km	Adoption of draft roads and storm water maintenance plan by 30 March	Adoption of draft roads and storm water maintenance plan by 30 June 2019	Final roads and storm water maintenance plan & Council resolution	Achieved Final roads & storm water maintenance plan adopted by Council in May 2019	-	-	File 2 – V 1. Council Resolution 2. Council Addendum 3.Draft Roads & Storm Water

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
										2019						Operations 4. Management Report 5. Review & Development of Master Plans
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of dignified sanitation services	S O 1	Upgrading of the Rouxville Waste Water Treatment Works	Advertise for the appointment of a contract or by 30 June 2019	Contractor appointed & on site	72% Physical progress on site	Practical Completion	-	Advertise for the appointment of a contract or by 30 June 2019	Final Tender advert	Achieved The tender was just advertised on the 05 April 2019	-	-	File 2 - W Tender Invitation (advert)
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of dignified sanitation services	S O 1	Installation of Onsite Sanitation units in Refengkhoto by 30 June 2019	Installation of Onsite Sanitation 410 units in Refengkhoto by 30 June 2019	New KPI	Installation of Onsite Sanitation 100 units in Refengkhoto by end of September 2018	Installation of Onsite Sanitation 200 units in Refengkhoto by end of December 2018	Installation of Onsite Sanitation 250 units in Refengkhoto by end of March 2019	Installation of Onsite Sanitation 410 units in Refengkhoto by 30 June 2019	Progress report & Completion certificate with list of completed houses	Not Achieved 300 units installed by 30 June 2019	Project was placed on suspension since April 2019 to 30 June 2019 due to unavailability of funds	1. Council approved new completion date 2. Allocation provided in the 2019/2020 Implementation plan to complete the project	File 2 -X 1. Appointment Letter 1. Progress Report 2. Certificate of Completion of works

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of dignified sanitation services	S O 1	Zastron / Matlakeng: Upgrading of the outfall sewer line and refurbishment of sewer pump stations & Refengkhoto sewer reticulation	44% Physical progress on site by June 2019	Professional Engineer appointed	Submit project for registration	Appointment of contractor	20% Physical progress on site	Advertise for the appointment of a contractor by 30 June 2019	Final Tender advert	Not achieved Project was only registered on the 14th June 2019	Project was placed on suspension since April 2019 to 30 June 2019 due to unavailability of funds	1.Council approved new completion date 2.Allocation provided in the 2019/2020 Implementation plan to complete the project	File 2 – Y 1.Project registration letter - COGTA
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of dignified sanitation services	S O 1	Smithfield / Mofulatshepe: Upgrading of Tladi Village outfall sewer line	Submission of Technical report to CoGTA by 30 June 2019 for project registration	New KPI	Submit project for registration	Appointment of contractor	Completion of the project Technical report by end of March 2019	Submission of Technical report to CoGTA by 30 June 2019 for project registration	Proof of submission to CoGTA for project registration (email)	Achieved Awaiting approval from GOGTA	-	-	File 2- Z 1.Preliminary Design Report Draft 2. Invoice for appointment of Professional Engineers

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	SO No	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
P	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of bulk water supply	SO 1	Smithfield bulk water supply	Appointment of a contract or for the construction of the works by 30 June 2019	New KPI	Completion of feasibility study and submission to DWS	-	Advertise for the appointment of a contractor by end of March 2019	Appointment of a contract or for the construction of the works by 30 June 2019	1. Final Tender advert 2. Contract or appointment letter	Not Achieved Tender was advertised and closed	Project stopped by DWS due to limitation of funds	Contract to be re-advertised upon confirmation of funding from DWS	File 2 – AA 1.Tender Invitation 2.Feasibility Study Report 3. Invoice for appointment of Professional Engineers 4.Suspension letter from DWS
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP Level	Provision of basic drinking water services Provision of basic services to community	SO 1	Upgrading of the Water Treatment works in Zastron	72% Physical progress on site by 30 June 2019	25% progress on project	44% Physical progress on site	72% Physical progress on site	30% Physical progress on site by end of March 2019	50% Physical progress on site by 30 June 2019	1. Monthly progress reports from consultant	Not Achieved Actual achievement is 45%	Project was placed on suspension since April 2019 to 30 June 2019 due to unavailability of funds	Project to resume in the 2019/2020 FY on new allocation	File 2 –BB 1.Monthly Progress Report – Proper Consulting (3)
1			Provision of basic drinking water services	SO 1	10793 of formal Households with water in MLM daily.	Provision of 1 440 ML of purified water by 30 June 2019	1635 ml of purified water	Provision of drinking water to 10 793 HH in MLM (100%)	Provision of drinking water to 10 793 HH in MLM (100%)	Provision of 360 ML of purified water from 1 January 2019 – 30 March 2019	Provision of 360 ML of purified water from 1 April 2019 – 30 June 2019	Water meter readings at the water treatment works (final distribution) per town	Achieved 1536 ML of purified water for 2018.19	-	-	File 3 – CC 1.Water Treatment Plant Sheets 2.Management Report

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
1			Provision of sustainable portable water in all 3 Towns	S O 1	Review of the WSDP by 30 June 2019	Approved reviewed WSDP by 30 June 2019	Draft WSDP	-	-	Review: Final Draft of WSDP by end of March 2019	Submission of the reviewed final WSDP to council for approval	Council Resolution and Approved WSDP	Achieved WSDP reviewed and adopted in May 2019	-	-	File 3 – DD 1.Council Resolution 2. WSDP Disk
1	Basic Service Delivery and Infrastructure development	Deliver sustainable services that are on or above RDP level	Provision of Aerial lighting and electrification of households	S O 1	Provision of 1 report per quarter regarding the status of aerial lightening to council until 30 June 2019	Submission of 4 reports to council regarding the status of aerial lightening by 30 June 2019	New KPI	X1 report submitted to council	X1 report submitted to council	X1 report submitted to council for the period of 1 January 2019 – 30 March 2019	X1 report submitted to council for the period of 1 April 2019 – 30 June 2019	Ordinary Council Agenda, report submitted & abstract of the minutes from the council meeting	Not Achieved X3 reports submitted	No ordinary council meeting took place for the 2nd quarter	Reports to be tabled in the next ordinary council meeting	File 3 – EE 1.Council Agenda – 28 March 2019
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations , ensure public participation and provide critical strategic support to the municipality	S O 1	% - implementation of action plan to mitigate identified risks (Output)	Submission of x4 Updated risk registers by 30 June 2019	16/17 mitigated risks	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	Submission of x1 Updated risk register for the period of 1 January 2019 – 30 March 2019	Submission of x1 Updated risk register for the period of 1 April 2019 – 30 June 2019	Acknowledgment of receipt Updated risk register	Not achieved No reports submitted	No annual approved risk register or committee in place	Technical Services department to improve on submission compliance	-

KP A No .	Key Performance Area	Municipal Strategic KPA	Municipal Strategic Objective(SOs)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviation	Corrective measures to be taken	#REF
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations , ensure public participation and provide critical strategic support to the municipality	S O	Improvement in Audit Opinion (Outcome)	Improvement in Audit opinion for the 2018/19 financial year ending on 30 June 2019	16/17 Audit opinion	1 Quarterly Implementation and monitoring Audit action Plan report	1 Quarterly Implementation and monitoring Audit action Plan report		Submission of Updated Audit Action plan indicating findings that have been addressed	AG report. Proof of submission Audit Action Plan	Not Achieved	Audit processes took longer than the legislated timeframe	Adherence to legislation	-

CORPORATE SERVICES DEPARTMENT

KP A N o	Key Performan ce Area	Municipa l Strategic Objectiv e (SOs)	Municip al Strategi c Objecti ve (Depart mental)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actu al Achi eve men t	Reas ons for devi ation	Corr ectiv e mea sures	#REF
3	Good governance & Administra tion	Good governan ce in Mohokare	To instil good governan ce in all Municipa l operation s, ensure public participat ion and provide critical strategic support to the Municipa lity	S O 4	Coordination of ordinary council meetings	4 Ordinary Council meeting	4 distribute d notices and agenda for 4 ordinary meetings	Distribution of 1 notice and agenda by Aug 18	Distribution of 1 notice and agenda by Dec 18	Distribution of 1 notice and agenda by March 19	Distribution of 1 notice and agenda by May 19	Copy of notic es and agen das distri bute d and ackn owle dge ment of recei pts	Not achie ved 2 notic es were distri bute d, quart er 2 & 4 meeti ng were not sent out	Due to non- avail ability of mem bers	Adhe renc e to Coun cil Sche dule	FF
				S O 4	Coordination of LLF meetings	12 LLF notices and agenda distribute d	12 LLF notices and agenda distribute d	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	Distribution of 3 notices and agendas	Copy of notic es and agen das distri bute d and ackn owle dge	Achi eved 12 Notic es were distri bute d	-	-	GG

KP A N o	Key Performan ce Area	Municipa l Strategic Objectiv e (SOs)	Municip al Strategi c Objecti ve (Depart mental)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actu al Achi eve men t	Reas ons for devi ation	Corr ectiv e mea sures	#REF
												ment of recei pts				
3				S O 4	Reviewed and adopted Employment Equity Policy by June 2019	Reviewed and adopted EE Policy	16/17 EE Policy	-	-	-	Submit draft Policy to Council by June 2019	Coun cil resol ution and adop ted polic y	Not achie ved	Non sitting of secti on 79 and Coun cil	Repo rts to be table d to Coun cil on the 31st of July 2019	-
3	Good governance & Administra tion	Good governan ce in Mohokare	To instil good governan ce in all Municipa l operation s, ensure public participat ion and provide critical strategic support	S O 4	Submitted EE Plan Report to Dept. of Labour by 15 January 2019	Submitted EE Plan Report to Dept. of Labour by 15 January 2019	New KPI	-	-	Submitted EE Plan Report to Dept. of Labour by 15 January 2019	-	Proof of subm ission to Dept of Labo ur	Achi eved	-	-	HH

KP A N O	Key Performan ce Area	Municipa l Strategic Objectiv e (SOs)	Municip al Strategi c Objecti ve (Depart mental)	S O N O	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actu al Achi eve men t	Reas ons for devi ation	Corr ectiv e mea sures	#REF
3			to the Municipa lity													
3	Good Governanc e and public participatio n	Good Governanc e and public participati on	To instill good governanc e in all Municipa l operation s, ensure public participat ion and provide critical strategic support to the Municipa lity	S O 4	Agenda and notices of section 79 committees distributed quarterly	20 notices and agenda of Section 79 distribute d quarterly	17/18 Sec 79 notices and agenda	5 notices and agendas distributed by July 2018	5 notices and agendas distributed by Dec 2018	5 notices and agendas distributed by Feb 2019	5 notices and agendas distributed by May 2019	Notic es and agen da	Not Achi eved 15 notic es were distri bute d	None avail abilit y of mem bers	Imple ment ation of the appr oved Sec 79 sche dule	II
3	Good Governanc e and public participatio n	Good Governanc e and public participati on	To instill good governanc e in all Municipa l operation s, ensure public participat ion and provide critical	S O 4	Monitoring of risk related matters	Identified risks, develope d and updated Risk registers June 2019	2017/2018 identified risks	Identified risks submitted to risk officer by Sept 2018	Identificati on of risks submitted to risk officer by December 2018	Identificati on of risks submitted to risk officer by March 2019	Identificati on of risks submitted to risk officer by June 2019	Proof of subm ission of the upda ted risk regist er (Ack nowl edg	Non – com plian ce to Risk	Adhe renc e to Risk Com plian ce	Non – com plian ce to Risk	-

KP A N o	Key Performan ce Area	Municipa l Strategic Objectiv e (SOs)	Municip al Strategi c Objecti ve (Depart mental)	S O N o	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actu al Achi eve men t	Reas ons for devi ation	Corr ectiv e mea sures	#REF
			strategic support to the Municipa lity									ment of recei pt)				

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	SO No.	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Good governance & Administration	Good governance in Mohokare	Annual Review and implementation of the Human Resources Strategy	SO 4	Reviewed HRD Strategy by June 2019	Reviewed HRD Strategy by June 2019	Adopted 2017/2018 HRD Strategy	-	-	-	Final reviewed 2018/2019 HRD Strategy submitted to Council by June 2019	Reviewed HRD Strategy by June 2019	Not Achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
3	Good governance & Administration	Good governance in Mohokare	Annual Review and implementation of the Human Resources Strategy	SO 4	Quarterly Implementation of the HRD Strategy by June 2019	Quarterly reports submitted to Management (Recruitment and selection report aligned to Employment equity plan, leave management, benefits and claims, vacancy rate and Overtime	2017/2018 Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Quarterly reports	Achieved	-	-	JJ

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	SONO	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Good governance & Administration	Good governance in Mohokare	Annual Review and implementation of the Human Resources Strategy	SO 4	4 Vacant posts of Sec 56 managers filled by June 2019	4 Vacant posts of Sec 56 managers filled by June 2019	4 sec 56 positions filled	-	-	Advert, Interviews of Sec 56 positions held	Appointment letters and Contracts signed	Advert, Interview report, signed Contracts	Not achieved 2 Sec 56 Managers were appointed 2 posts are still vacant	Financial constraints	Only two directors were appointed the director Technical and CFO but Community services and Corporate Director have not been appointed due to financial challenges	KK
3	Good governance & Administration	Good governance in Mohokare	Annual Review and implementation of the Human Resources Strategy	SO 4	5 unskilled labours vacant post filled by June 2019	5 Unskilled vacant posts filled by June 2019	New KPI	-	-	Advertise posts and hold interviews of the 5 vacant posts	Appointment of the 5 unskilled employees	Advert, Interview report, signed appointment letters/contracts	Achieved	-	-	LL

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	SONO	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Good governance & Administration	Good governance in Mohokare	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	SONO 4	10 Human Resources Policies reviewed and approved by Council by June 2019	10 Human Resources Policies reviewed and approved by Council by June 2019	8 policies reviewed and approved by Council	-	-	-	Submit draft reviewed HR Policies to Council by June 2019	Council Resolution and electronic copies of HR policies	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
3	Good governance & Administration	Good governance in Mohokare	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	SONO 4	Reviewed Organogram by June 2019	Reviewed Organogram by June 2019	2017/2018 reviewed organogram	-	-	Submit the draft Organogram to Sec 79 by March 2019	Submit the final Organogram to Council by June 2019	Council Resolution and a copy of the organogram	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
3	Good Governance and administration	Good Governance in Mohokare	Ensure 100% development of ICT Strategy	SONO 4	Reviewed ICT Strategy by June 2019	Reviewed ICT Strategy by June 2019	2017/2018 ICT Strategy	-	-	Submit the draft ICT Strategy to Council by March 2019	Submit the final ICT Strategy to Council by June 2019	Council Resolution and copy of Strategy	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o .	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Good Governance and administration	Good Governance in Mohokare	Ensure 100% development of ICT Strategy	S O 4	Reviewed ICT Policies June 2019	14 reviewed ICT Policies adopted by May 2016. 1.IT Security policy 2.IT Assets Control & Disposal Policy 3.Internet & Email Usage Policy 4.Change management policy 5.Password policy 6.IT Backup Policy 7 Disaster Recovery policy 8 Telephone Policy 9 Mobile and Gadgets Policy 10. Patch Management Policy 11. End User	9 reviewed and adopted Policies 2017/18	-	-*	Submit the 14 draft reviewed ICT Policies to Council by March 2019	Submit the 14 Final ICT Policies to Council by June 2019	Council Resolution and copies of the adopted Policies	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o .	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
						Access Management Policy 12. ICT Operating System Security Controls Policy 14. Printing Policy										
3	Good Governance and administration	Good Governance in Mohokare	Ensure 100% development of ICT Strategy	S O 4	Review of the Disaster recovery and Business Continuity Plan by June 2019	Reviewed Disaster Recovery and Business Continuity Plan for the 2018/19 financial year.	2017/2018 Reviewed Disaster Recovery and Business Continuity Plan	-	-	Submit draft Disaster Recovery and Business Continuity Plan to Council by March 2019	Disaster Recovery and Business Plan to Council by June 2019 for approval.	Council resolution and copy of the approved plan	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
3	Municipal Transformation and Development	Municipal Transformation and Development	Review, and implement all relevant departmental policies		5 reviewed policies by June 2018 (Public participation, Communication, HR and Training, Social media policies)	5 reviewed policies by June 2019 (Public participation, Communication, HR and Training, Social media policies)	5 reviewed policies	-	-	-	5 reviewed policies by June 2019	Policies Council resolution	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o .	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Municipal Transformation and Development	Municipal Transformation and Development	Strategies developed and reviewed		Annual Reviewed delegation system adopted by Council by June 2019	Annual Reviewed delegation system adopted by Council by June 2019	2017/2018 reviewed delegation system	-	-	-	Reviewed and adopted Delegation System by June 19	Council Resolution and Adopted Delegation System	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
3	Municipal Transformation and Development	To build capacity and maximize utilization of human capital	Organizational development		6 officials capacitated in terms of the workplace skills	6 officials capacitated by June 2019	New KPI	-	-	3 officials capacitated	3 officials capacitated	Skills development report	Not achieved	None sitting of section 79 and Council	The report was tabled to the Council meeting scheduled for the 31 July 2019	-
			Councillor development		2 councillors capacitated in terms of skills by June 2019	2 councillors capacitated	New KPI	-	-	-	2 councillors	Skills development Report	Not Achieved 4 officials are capacitated	Financial Constraints	-	MM
3	Municipal Transformation and Development	Municipal Transformation and Development	Enhance institutional development and good governance		Development and submission of the (19/20) workplace skills plan by 30 April 2019 to LGSETA	19/20 WSP submitted by April 18	18/19 submitted WSP	-	-	-	Developed and submitted WSP to LGSETA by April 2019	Acknowledgement of receipt from LGSETA and WSP Document	Over achieved 5 Councillors are capacitated	-	-	NN

KP A No	Key Performance Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o .	Key performance indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achievement	Reasons for deviations	Corrective measures	#REF
3	Municipal Transformation and Development	Municipal Transformation and Development	Enhance institutional development and good governance		3% of budget actually spent on implementing WSP bi-annually	3% of budget actually spent on implementing WSP	New KPI	-	1% of budget actually spent on implementing WSP	-	2% of budget actually spent on implementing WSP	Proof of amounts spent	Achieved	-	-	OO
3	Municipal Transformation and Development	Municipal Transformation and Development	To ensure provision of secretaries support to council		Quarterly updated resolution register	Updated resolution register by June 2019	Register updated	Resolution register updated by Sept 2018	Resolution register updated Dec 2018	Resolution register updated by March 2019	Resolution register updated by June 2019	Updated register	Achieved	-	-	PP

FINANCE DEPARTMENT

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
4	Financial Manage ment	Financial Viability	Review, and implement all relevant department al policies	S O 3	6 budget related policies reviewed by June 2019 (Assets, SCM, Revenue, bank and investment , Credit Control and Expenditur e)	6 budget related policies review ed by June 2019 (Assets, SCM, Revenue, bank and investm ent, Credit Control and Expend iture	2017/1 8 Review ed budget related policies	-	-	To submit 6 draft policies to Section 79 and Council for adopti on by March 2019	To submit 6 Final policies to Section 79 and Council I for adopti on by May 2019	Policies Council I resoluti ons Attend ance register	Not achiev ed	Due to non- sitting of Sec 79 and Council I during 2018/1 9 FY	Adhere nce to the approv ed Sec 79 and Council I schedu le	-
4	Financial Manage ment	Financial Viability	Implementa tion of Mohokare Financial Manageme nt Plan	S O 3	Develope d Compliant MSCOA budget by June 2019	Develo ped Compli ant MSCO A budget by June 2019	2017/1 8 adopte d budget	-	-	Submit the draft compli ant budget to Budget Steerin g Comm ittee and Council by March 2019	Submit the Final budget to Budget Steerin g Comm ittee and Council I for adopti on by May 2019	Compli ant budget	Achiev ed Though , the docum ent was taken to Council I end of March 2019	Due to non- sitting of Council I	Adhere nce to the approv ed Council I schedu le	QQ

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Departmental)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
4	Financial Manage ment	Financial Viability	Implementa tion of Mohokare Financial Manageme nt Plan	S O 3	Develope d adjustmen t budget by Feb 2019	Adopt ed adjust ment budget by Feb 2019	Adopt ed adjust ment budget in by Feb 2018	-	-	Submit the adjuste d budget to Budget Steerin g Comm tee and Council for Adopti on by Feb 2019	-	Attend ance register - steerin g resoluti on Adjuste d Budget Counci l Resoluti on	Not achiev ed No POE provide d	-	-	
4	Financial Manage ment	Financial Viability	Implementa tion of the Procuremen t Plan	S O 3	Developm ent of Procureme nt Managem ent Plan by August 2018	Develo ped and adopte d Procure ment Manag ement Plan by August 2018	2017/1 8 approv ed plan	Submit develo ped Plan to Counci l by August 2018 for adopti on	-	-	-	Counci l Resoluti on and adopte d copy	Not achiev ed No POE provide d	-	-	
4	Financial Manage ment	Financial Viability	Developme nt of operationali zation of SCM Plans		Implement ation and monitor of the procurem ent plan by June 2019	Procur ement Plan implem ented by June 2019	2017/1 8 quarter ly plans	Monthl y Progres s report on the procur ement plan	Monthl y Progres s report on the procur ement plan	Monthl y Progres s report on the procur ement plan	Monthl y Progres s report on the procur ement plan	Monthl y Financi al Progres s reports	Not achiev ed No POE provide d	-	-	

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
4	Financial Manage ment	Financial Viability	Promotion and maintenanc e SCM		Irregular, fruitless and wasteful expenditur e reduced by June 2019	Irregula r, fruitless and wasteful expen diture reduce d by June 2019	2017/1 8 quarter ly plans	Progres s report on irregula r, fruitless and wastef ul expen diture	Progres s report on irregula r, fruitless and wastef ul expen diture	Progres s report on irregula r, fruitless and wastef ul expen diture	Progres s report on irregula r, fruitless and wastef ul expen diture	Monthl Y Financi al Progres s reports	Not achiev ed No POE provide d	-	-	
4	Financial viability	Become financially viable			Quarterly SCM reports submitted to the Mayor and Accountin g Officer	Quarte rly SCM reports submitt ed to the Mayor and Accou nting Officer	New KPI	Quarte rly SCM report	Quarte rly SCM report	Quarte rly SCM report	Quarte rly SCM report	Quarte rly SCM report	Achiev ed	-	-	RR
5	Local Economi c Develop ment	Local Economic developm ent	Grow Mohokare		12 local businesses awarded by June 2019	12 local busines ses award ed by June 2019	12 busines s reports award ed	3 local busines ses award ed	3 local busines ses award ed	3 local busines ses award ed	3 local busines ses award ed	Report on LED	Not Achiev ed No POE provide d	-	-	-
-	Municipa l Financial Viability	Become financially viable	Grow Mohokare		80 % creditors paid within 30 days	80 % credito rs paid within 30 days	% Credito rs paid	20 % of credito rs paid within 30 days	20 % of credito rs paid within 30 days	20 % of credito rs paid within 30 days	20 % of credito rs paid within 30 days	Quarte rly Financi al reports Invoice s and expen	Not achiev ed	Financi al constra int of the munici pality	Credito rs are paid on availab ility of funds.	-

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
												diture forms				
	Municipa l Financial Viability	Becoming financially viable	To ensure compliance with MFMA and Treasury regulations and implement internal controls		Payment vouchers of Third Parties done by the 7th of each month	Third Party paid by the 7 th of each month	New KPI	Payme nt of current third party deduct ions by the 7 th	Payme nt of current third party deduct ions by the 7 th	Payme nt of current third party deduct ions by the 7 th	Payme nt of current third party deduct ions by the 7 th	Proof of payme nt Quarte rly 3 rd party reconci liations register	Achiev ed	-	-	SS
			To ensure compliance with MFMA and Treasury regulations and implement internal controls		Complian ce with SARS directive on VAT issues.	Submiss ion of 12 VAT 201 returns	New KPI	Compl eted 3 VAT returns for June, July, August	Compl eted 3 VAT return for Septe mber, Octob er, Novem ber	Compl eted 3 VAT return for Decem ber, Januar y, Februar y	Compl eted 3 VAT return for March, April, May	VAT returns	Not achiev ed No POE provide d	-	-	-
	Municipa l Financial Viability	Become financially viable	Grow Mohokare		30% of outstandin g debt collected over 90 days by June 2019	30% of outstan ding debt collect ed over 90 days by June 2019	% debt collect ed	7.5 % of debt collect ed	7.5 % of debt collect ed	7.5 % of debt collect ed	7.5 % of debt collect ed	Quarte rly revenu e report	Not achiev ed No POE provide d	Non- implem entatio n of the Revenu e enhanc ement strateg y	-	-

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
	Municipa l Financial Viability	Become financially viable	Provide free basic water to indigent households		Registratio n of indigent household s	1200 indigen t househ olds register ed by June 2019	New KPI	300 HH register ed Quarte rly indigen t session per town register ed	300 HH register ed Quarte rly indigen t session per town register ed	300 HH register ed Quarte rly indigen t session per town register ed	300 HH register ed Quarte rly indigen t session per town register ed	Report on status on indigen cy	Not achiev ed No POE provide d	-	-	-
4	Municipa l Financial Viability	To ensure that municipal assets are adequatel y managed and monitored	Fully effective asset manageme nt unit		Quarterly verifying physical assets against assets register by June 2019	Update d GRAP compli ant assets register by June 2019	2017/1 8 quarter ly reports	Grap compli ant register Develo pment of the asset move ment register	Quarte rly monitor ing of asset movem ent register	Quarte rly monitor ing of asset movem ent register	Quarte rly monitor ing of asset move ment register	GRAP Registe r Detaile d report on asset register .	Achiev ed	-	-	TT
4	Municipa l Financial Viability	To ensure sound financial manage ment, complan ce and regular reporting	Implementin g effective internal controls and monitoring compliance		Timely submission of complan ce reports to Council, NT and PT (Section 71, 52, and 72)	Compli ance reports as per MFMA	2017/1 8 quarter ly compli ance reports	Quarte rly budget statem ent (Sectio n 52 & 71)	Quarte rly budget statem ent (Sectio n 52 & 71)	Quarte rly budget statem ent (Sectio n 52 & 71)	Quarte rly budget statem ent (Sectio n 52 & 71)	Quarte rly reports	Not achiev ed	Financi al System not yet closed for May and June	Quarter ly reports to be submitt ed once system is closed	-

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
4	Financial Manage ment	Financial Viability	Compilation of compliant AFS		Submission of Draft Compliant Financial Statement s to AG, National and Provincial Treasury by 31 st August 2018	Submitt ed AFS by 31 st August 2018	Submitt ed AFS by Aug 2017	Submiss ion of compli ant Draft Financi al Statem ents to AG and Nation al and Provinc ial Treasur y by 31 st August 2018	-	-	-	Proof of submiss ion to AG, NT and PT	Not achiev ed	Late submis sion of AFS Non-compli ance to legislati on	Adhere nce to legislati on	-
4	Financial Manage ment	Financial Viability	Submission of Compliant AFS	S O 3	Submission of Final compliant Financial Statement s to Council, NT and PT by 25 January 2019	Submitt ed final AFS to Council	AFS submitt ed to Council by 25 Jan 2019	-	-	Submiss ion of Final Compli ant Financi al Statem ents to Council , NT and PT by 25 Januar y 2019	-	Proof of submiss ion to AG, NT and PT	Not achiev ed	Audit proces ses took longer than legislat ed	Adhere nce to legislati on	-

P A N o	Key Performa nce Area	Municipal Strategic Objective (SOs)	Municipal Strategic Objective (Department al)	S O N o	Key performan ce indicator(s)	Annual Target	Baselin e	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reason s for deviati ons	Correct ive measur es	#REF
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	S O 4	% - implement ation n of action plan to mitigate identified risks (Output)	100% of identifi ed risks mitigat ed by June 2019	17/18 mitigat ed risks	1 Quarte rly monitor ing of identifi ed risks report	1 Quarte rly monitor ing of identifi ed risks report	1 Quarte rly monitor ing of identifi ed risks report	1 Quarte rly monitor ing of identifi ed risks report	Proof of submiss ion of the update d risk register (Ackno wledg ment of receipt) Monitor ing tool templa te	Not achiev ed	Non – compli ance to Risk	Adhere nce to Risk Compli ance	-
3	Good Governance and public participation	Good Governance and public participation	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the municipality	S O 4	Improvem ent in Audit Opinion (Outcome)	Improvem ent in Audit opinion (Unqua lified d)	17/18 Audit opinion	1 Quarte rly Implem entatio n and monitor ing Audit action Plan report	1 Quarte rly Implem entatio n and monitor ing Audit action Plan report	1 Quarte rly Implem entatio n and monitor ing Audit action Plan report	1 Quarte rly Implem entatio n and monitor ing Audit action Plan report	AG report. Audit action plan report	Not Achiev ed	Audit proces ses took longer than the legislat ed timefra me	Adhere nce to legislati on	-

COMMUNITY SERVICES DEPARTMENT

KP A N o	Key Perform ance Area	Municip al Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departm ental)	S O N o.	Key performa nce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reasons for deviation	Correcti ve measur es	#REF
1	Basic Service Delivery	Keep Mohok are Safe & Clean	Provision of sustainab le Human Settleme nts in all the three towns by 30 June 2017	S O 5	Review of Human Settleme nt Sector Plan by June 2019	Review of Human Settleme nt Sector Plan by June 2019	Human Settleme nt Sector Plan 2017/18	-	-	Submiss ion of draft plan to Council by March 2019	Submit the final reviewe d Plan to Council by May 2019	Coun cil resolu tion and Copy of the Plan	Not achiev ed	Due to non- sitting of of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-
					Reviewe d Land Disposal Policy by June 2019	Land Disposal Policy Reviewe d by June 2019	17/18 policy	-	-	Submiss ion of draft policy to council by march 2019	Submissi on of final policy to Council for approv al by June 2019	Coun cil resolu tion copy of the plan	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-
					Reviewe d of Municipal Housing Rental Policy by June 2019	Reviewe d of Municip al Housing Rental Policy by June 2019	Municip al rental housing policy in place by 2017/18	-	-	Submiss ion of draft policy to council by march 2019	Submissi on of final policy to Council for approv al by June 2019	Coun cil resolu tion copy of the plan	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-

KP A N o	Key Perform ance Area	Municip al Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departm ental)	S O N o.	Key performa nce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reasons for deviation	Correcti ve measur es	#REF
					Reviewed Municipal sites allocation Policy by June 2019	Reviewed Municipal sites allocation Policy by June 2019	2017/201 8 Policy	-	-	Submiss ion of draft Policy to Council by March 2019	Submissio n of final Policy to Council for approval by June 2019	Coun cil resolu tion Copy of the Policy	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-
			Manage ment of Local Disaster as per incident		Review of local disaster manage ment plan by June 2019	Reviewe d Disaster Manage ment Plan by June 2019	Local Disaster Manage ment Plan in place 2017/18	-	-	Submiss ion of draft plan to Council by March 2019	Submit the final reviewe d Plan to Council by May 2019	Coun cil resolu tion and Copy of the Plan	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-
1	Basic Service Delivery	Keep Mohok are Safe & Clean	Manage ment of Extended Public Works	S O 5	Reviewe d Extended Public Works Policy by June 2019	Reviewe d Extende d Public Works Policy by June 2019	2017/201 8 EPWP		-	Reviewe d Extend ed Public Works Policy submitt ed to Council by March 2019	Reviewe d Extende d Public Works Policy submitt ed to Council by May 2019	Coun cil resolu tion and Copy of the Policy	Not achiev ed	Due to non- sitting of of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedul e	-

KP A N o	Key Perform ance Area	Municip al Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departm ental)	S O N o.	Key performa nce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reasons for deviation	Correcti ve measur es	#REF
1	Basic Service Delivery	Keep Mohokare Safe & Clean	Provision of sustainab le Common age Manage ment	5	Reviewe d Common age Manage ment plan by June 2019	Reviewe d Common age Manage ment Plan by June 2019	Common age manage ment plan in place	-	-	Submiss ion of draft plan to Council by March 2019	Submit final plan to Council by May 2019	Coun cil resolu tion and Copy of the Plan	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approv ed Sec 79 and Council schedul e	-
			Managem ent of Sports and Facilities	5	Reviewe d Sports and Facilities Manage ment policy by June 2019	Reviewe d Sports and Facilities Manage ment policy by June 2019	17/18 Sports facility Manage ment	-	-	Submiss ion of draft plan to Council by March 2019	Submit final draft to Council by May 2019	Coun cil resolu tion and Copy of the Policy	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approv ed Sec 79 and Council schedul e	-
			Manage ment of Municipal Amenities	5	Reviewe d Cemeter y Manage ment Policy by June 2019	Review of Cemeter y manage ment Policy by June 2019	Cemeter y Manage ment policy in place	-	-	Submiss ion of draft policy to council by March 2019	Submissi on of final policy to Council for approv al by June 2019	Coun cil resolu tion copy of the plan	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approv ed Sec 79 and Council schedul e	-

KP A N o	Key Perform ance Area	Municip al Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departm ental)	S O N o.	Key performa nce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reasons for deviation	Correcti ve measur es	#REF
1	Basic Service Delivery	Keep Mohok are Safe & Clean	Operatio ns and maintena nce		Develop the operatio ns and maintena nce Plan for Council Propertie s by August 2018	Develop ed draft operatio ns and maintena nce Plan by Council Properti es by August 2018	New KPI	Develop Operati ons and Mainten ance Plan approve d by Council by August 2018	-	-	-	Mana geme nt resolu tion & Appro ved draft plan	Not achiev ed	Due to non- sitting of of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedules	-
1	Basic Service Delivery	Keep Mohok are Safe & Clean	Environm ental Health Manage ment	0 6	Reviewe d IWMP Integrate d Waste Manage ment Plan by August 2018	Reviewe d IWMP Integrat ed Waste Manage ment Plan by August 2018	16/17 Adopte d IWMP	Reviewe d IWMP Integrat ed Waste Manage ment Plan by August 2018	-	-	-	Appro ved plan Coun cil Resol ution	Not achiev ed	Due to non- sitting of Sec 79 and Council during 2018/19 FY	Adhere nce to the approved Sec 79 and Council schedules	-
3	Good Govern ance and public particip ation	Good Govern ance and public particip ation	To instil good governan ce in all Municipal operation s, ensure public participat ion and		% - impleme ntation n of action plan to mitigate	100% of identifie d risks mitigate d by June	17/18 mitigate d risks	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	1 Quarterly monitoring of identified risks report	Proof of submissi on of the updated risk register (Ackn	Not achiev ed	Non – complian ce to Risk	Adhere nce to Risk Compli ance	-

KP A N o	Key Perform ance Area	Municip al Strategi c Objecti ve (SOs)	Municipal Strategic Objective (Departm ental)	S O N o.	Key performa nce indicator(s)	Annual Target	Baseline	Q1	Q2	Q3	Q4	POE	Actual Achiev ement	Reasons for deviation	Correcti ve measur es	#REF
			provide critical strategic support to the municipa lity		identified risks (Output)	2019						owled gmen t of recei pt) Monit oring tool templ ate				
3	Good Govern ance and public particip ation	Good Govern ance and public particip ation			Improve ment in Audit Opinion (Outcom e)	Improve ment in Audit opinion (Unqualif ied)	17/18 Audit opinion	1 Quarterl y Impleme ntation and monitorin g Audit action Plan report	1 Quarterly Implemen tation and monitorin g Audit action Plan report	1 Quarterl y Implem entatio n and monitori ng Audit action Plan report	1 Quarterl y Implem entatio n and monitori ng Audit action Plan report	AG report . Audit actio n plan report	Not Achiev ed	Audit processe s took longer than the legislated timefram e	Adhere nce to legislati on	-

CONCLUSION

Mohokare Local Municipality served the community with distinction during the 2018/2019 financial year. This report clearly demonstrates the commitment of the municipality to ensure that the local community have access to their basic needs.

Investment capital infrastructure remains a clear focus area when projects are identified in the IDP. This report to Council and the local community demonstrates the ability of the Mohokare Local Municipality to adapt to the ever changing social needs of the local community.

This progress report will be submitted to the Municipal Council by 25th January 2020 together with the Mid-year Budget and Performance Assessment Report 2019/2020. I wish to extend my gratitude to the Municipal Council, Mayor, and the Management Team as well as to all the employees of the Mohokare Local Municipality who willingly and competently assisted to ensure the Municipality is well on its way to become a place of excellence.



Mr. S SELEPE
MUNICIPAL MANAGER

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS

Mohokare Local Municipality employs 286 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

TOTAL EMPLOYEES				
Description	Ending 31 st June 2019			
	Number of Posts	Number of Employees	Vacancies	% Variance
Water	61	50	11	18.03%
Sanitation	83	44	20	24.09%
Electricity	1	1	0	0%
Roads & Storm-water	23	10	13	56,5%
Technical Services (excl. the above)	8	6	2	25 %
Waste Management	57	61	14	24%
Human Settlement	5	4	1	20%
Traffic Safety & Management	7	7	0	0%
Community Services (excl. Waste, Human Settlement & Traffic)	34	14	20	58,82%
Planning	2	2	0	0%
Local Economic Development	2	2	0	0%
Office of the MM (excl. Planning & LED)	20	13	9	45%
Finance	31	24	7	23%
Corporate Services	34	28	5	14.7%
TOTALS	368	266	102	27.7%

VACANCIES

Vacancy Rate: 2018/19			
Designations	Total Approved Posts	Vacancies	Vacancies %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Managers (excluding Finance Posts)	3	1	100%
Other S57 Managers (Finance posts)	2	0	0.00%
Police officers	0	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	20	3	15%
Senior management: Levels 13-15 (Finance posts)	2	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	46	5	10%
Highly skilled supervision: levels 9-12 (Finance posts)	18	2	11%
Total	94	14	15%

TURNOVER

Turn-over Rate 2018/19			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate
Year -2	22	18	82%
Year -1	0	0	
Year 0			
Total	22	18	82%

Appointment of Senior Managers

Only one post of the Municipal Manager is filed on the 18th March 2018. All Sec 56 managers have not been appointed.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

Policies and plans provide guidance for fair and consistent staff treatment and approach to managing staff.

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council
1	Human Resource Development Strategy	100	100	24 July 2018
2	Organogram	100	100	24 July 2018
3	Organizational Design Policy	100	100	24 July 2018
4	Employment Policy	100	100	24 July 2018
5	Leave Policy	100	100	24 July 2018
6	Occupational Health and Safety Policy	100	100	24 July 2018
7	Overtime Policy	100	100	24 July 2018
8	Relocation Policy	100	100	24 July 2018
9	Councilor Remuneration Policy	100	100	24 July 2018
10	Staff Retention Policy	100	100	24 July 2018
11	Employment Equity policy	100	100	24 July 2018

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee Days	Total Estimated Cost
Required basic medical attention	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

Injuries, sickness and suspensions excl. injuries on duty:

Salary band	Total sick leave	Proportion of sick leave without medical certification %	Employees using sick leave	Total employees in post*	Average sick leave per employee
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled(Levels 3-5)	1200	0	120	102	12
Highly skilled production(levels 6-8)	600	0	21	35	17
Highly skilled supervision(levels 9-12)	300	0	36	48	6
Senior management(Levels 13-15)	76	0	20	13	17
MM and S57	0	0	0	2	
Total	2176	0	197	200	10.8

SUSPENSIONS

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of case and reasons why not finalized	Date Finalized
NONE				

CASES OF FINANCIAL MISCONDUCT

Disciplinary Action Taken On Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NO CASES REPORTED			

4.4 PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R. 805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2018/19 financial year:

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within
Lower skilled (Levels 1-2)	Female	0	0	0	0
	Male	0	0	0	0
Skilled (Levels 3-5)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled production (levels 6-8)	Female	0	0	0	0
	Male	0	0	0	0
Highly skilled supervision (levels 9-12)	Female	0	0	0	0
	Male	0	0	0	0
Senior management (Levels 13-15)	Female	0	0	0	0
	Male	0	0	0	0
MM and S56	Female	1	1	0	0
	Male	3	3	0	0
Total		4	4	0	0

Despite gradual improvement of financial and performance position of the municipality over the last financial years, the municipal manager and senior managers have never been paid any performance bonuses due to the financial difficulties faced by the institution.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, and efficient and accountable way and for this purpose must comply with Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills Plan detailing the trainings planned by the municipality for 2018/2019.

Training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for Discretionary grant from LGSETA unfortunately we were not approved.

Challenges: Municipality depends most on the LGSETA grants in order to implement most of the programmes due to financial constraints. The Municipality experienced challenges on the implementation of the programmes in the financial year 2018/2019 hence in attempt to rescue the situation by submitting applications for Discretionary grants.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2018	Number of skilled employees required and actual as at 30 June 2018											
		No.	Learner ships			Skills programmes & other short courses			Other forms of training			Total		
			Actual: 2016/17	Actual: 2017/18	2017/2018	Actual: 2016/2017	Actual: 2017/2018	2017/18	Actual: 2016/2018	Actual: 2016/2018	2017/18	Actual: 2016/2017	Actual: 2017/2018	2017/18
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	3	0	0	0	0	0	0	0	0	3
Councillors, senior officials and managers	Female	8	2	0	6	2	2	11	0	0	0	4	2	17
	Male	16	5	6	4	0	1	11	0	0	5	5	7	20
Technicians and associate professionals*	Female	1	0	0	1	0	0	0	1	1	1	1	1	2
	Male	2	0	0	2	0	0	0	0	0	2	0	0	4
Professionals	Female	1	1	0	1	0	3	3	1	0	1	2	3	5
	Male	6	6	0	0	0	0	0	0	0	0	6	0	0
Clerical support Workers	Female	7	1	2	3	0	0	1	0	3	3	1	5	7
	Male	5	0	1	4	0	0	0	0	0	0	0	1	4
Elementary Occupations	Female	96	13	9	83	0	0	0	0	0	11	13	9	94
	Male	137	42	40	55	0	0	0	0	0	9	42	40	64
Sub total	Female	113	17	13	94	0	3	3	3	1	6	20	17	125
	Male	169	53	47	68	0	2	5	3	2	13	56	51	95
Total		282	70	60	162	0	5	8	6	3	19	76	68	220

Financial Competency Development: Progress Report						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a))	Consolidat ed: Total of A and B	Consolidat ed: Competen cy assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation	Consolidat ed: Total number of officials that meet prescribe d competenc y levels (Regulation
Accounting officer	1	0	1	1	1	1
Chief financial	1	0	1	1	1	1
Senior managers	0	0	0	0	0	0
Any other financial officials	13	0	13	10	0	10
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior	0	0	0	0	0	0
TOTAL	16	0	16	13	3	13

This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

Regulation R493 of the National Treasury requires that all identified officials in the municipality should have achieved minimum competencies by June 2019.

Skills Development Expenditure										
Management level	Gender	Employees 2018/19	Original Budget and Actual Expenditure on skills development							
			Learner ships		Skills programs & other short		Other forms of training		Total	
		No.	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual
MM and S57	Female	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	0	0	0
Legislators, senior officials and Professionals	Female	4	R46000	R46000	0	0	R33000	R33000	R790000	R79000
	Male	8	R92000	R92000	0	0	R165000	R165000	R257000	R257000
Technicians	Female	1	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Clerks	Female	0	0	0	0	0	0	0	0	0
	Male	1	R46000	R46000	0	0	0	0	R46000	R46000
Service and sales workers	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Plant and machine operators and Elementary occupations	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0
Sub total	Female	2	0	0	0	0	0	0	0	0
	Male	13	0	0	0	0	0	0	0	0
Total	Female	7	0	0	0	0	0	0	0	0
	Male	23	0	0	0	0	0	0	0	0
Total		30	R184000	R184000	0	0	R198000	R198000	R382000	R382000

SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work. To improve productivity in the workplace and the competitiveness of employers and to promote self-employment.

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity, the plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1). The municipality endeavours to provide training as planned in the WSP due to financial constraints not all trainings are implemented however there is a significant progress to ensure

that in a financial year employees receive quality training to acquire new skills and improve performance.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
Total		0

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				

CHAPTER 5

FINANCIAL PERFORMANCE

The overall operating results achieved for the past financial year closed off with a deficit of R 16.6 million compared to a budgeted surplus of R 68.4 million. Operating revenue for the year is R 236.7 million (2018: R 260.9 million) which reflects a decrease of 9.28%. The operating expenditure for the year is R 253.3 million (2018: R 240.2 million) which reflects an increase of 5.45%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R 42.97 million. Cash and short term investments increased by 90.07% to R 8.7 million (2018: R 4.6 million).

COMPONENT B: STATEMENTS OF FINANCIAL PERFORMANCE

Operating revenue excluding government grants and subsidies but including equitable share for the year is R 185.1 million (2018: R 188 million) which reflects a decrease of 1.5%. Included in the above figure is equitable share to the amount of R 61.7 million, 26.08% of the total revenue.

Electricity and water are the largest source of income and contributes 11.7% and 12.4% respectively to operating revenue. Property rates constitute 3.5% of revenue.

Fines, Penalties and Forfeits has decreased from R 48.4 million to R 36.9 million.

The operating expenditure for the year is R 253.3 million (2018: R 240.2 million) which reflects an increase of 5.45% from the previous financial year. The main expenditures are employee related costs at R 74.2 million, debt impairment at R 73.8 million, bulk purchases at R 24.9 million and depreciation and amortisation at R 23.1 million. Repair and maintenance decreased from R 6.2 million to R 1.5 million.

COMPONENT A: STATEMENTS OF FINANCIAL POSITION

The current assets increased from R 51.4 million to R 58.2 million. This is an increase of 13.2%. This is an increase of R 6.8 million.

The current liabilities increased from R 118.1 million to R 159.6 million. This is an increase of R 41.5 Million.

The non-current assets increased from R 624.3 million to R 644.9 million. This is an increase of R 20.6 million or 3.3%. This was largely due to capital grants from RBIG and WSIG.

The non-current liabilities increased by R 3.1 million.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Performance of Operational Services						
R '000						
Description	2017-18	2018-19		2018-19 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	62 100	21 885	22 169	19 922	-9.85%	-11.28%
Waste Water (Sanitation)	28 335	12 729	12 729	7 871	-61.72%	-61.72%
Electricity	63 500	27 149	27 149	28 163	3.60%	3.60%
Waste Management	6 088	6 621	6 621	5 356	-23.62%	-23.62%
Housing	658	1 042	1 042	736	-41.58%	-41.58%
Component A: sub-total	160 682	69 425	69 709	62 047	-11.89%	-12.35%
Roads	9 951	4 230	4 230	3 947	-7.16%	-7.16%
Component B: sub-total	9 951	4 230	4 230	3 947	-7.16%	-7.16%
Planning	5 793	7 271	7 271	7 063	-2.94%	-2.94%
Component C: sub-total	5 793	7 271	7 271	7 063	-2.94%	-2.94%
Community & Social Services	5 007	8 304	8 304	11 857	29.97%	29.97%
Security and Safety	2 120	1 640	1 640	2 915	43.75%	43.75%
Sport and Recreation	650	597	597	528	-12.97%	-12.97%
Corporate Policy Offices and Other	55 380	109 717	104 932	164 902	33.47%	36.37%
Component D: sub-total	63 156	120 257	115 472	180 203	33.27%	35.92%
Total Expenditure	239 581	201 183	196 682	253 261	20.56%	22.34%
						T 5.1.2

COMMENTS

Significant variances can be noted in several departments. This relates mainly to Waste Water, Waste Management, Housing and Security Services

5.2 GRANTS

Grant Performance						
Description	R' 000					
	2017-18	2018-19		2018-19 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	58 955	64 693	64 693	65 693		
Equitable share	56 055	61 723	61 723	61 723	100%	100%
Finance Management Grant	1 900	1 970	1 970	1 970	100%	100%
Expanded Public Works Programme	1 000	1 000	1 000	1 000	100%	100%
Provincial FSPT	–	–	–	1 000		
LG Seta Training Grant	–	–	–	–		
Total Operating Transfers and Grants	58 955	64 693	64 693	65 693		
						<i>T 5.2.1</i>

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share grant is not increasing in line with inflation. This resulted as a result of the depopulation of the rural areas in conjunction with the decrease in registered indigents.

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for R21.447 million withheld from the Equitable Share Grant in respect of unspent conditional grant funding.

5.3. ASSET MANAGEMENT

Asset management remains a concerning area in Mohokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for movable and immovable assets. No capital project (work in progress) were completed and unbundled in the current financial year. All asset additions for the year relates to work in progress on ongoing projects as well as movable asset additions.

Repair and Maintenance Expenditure: 2018-19				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	7 308	7 308	1 499	79%
				T 5.3.4

The figure above does not include labour, transport and overheads.

There was an under expenditure of 79% of the budgeted amount for the purchase of materials.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.4 SOURCES OF FINANCE (captured manually)

Capital Expenditure - Funding Sources: Year -1 to Year 0						
R' 000						
Details	2017-18	2018-19				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	–	–	–	–	0.00%	0.00%
Public contributions and donations	–	–	–	–	0.00%	0.00%
Grants and subsidies	60 426	95 823	95 823	42 202	0.00%	-55.96%
Other	619	776	776	770	0.00%	-0.79%
Total	61 045	96 599	96 599	42 972	0.00%	-56.75%
<i>Percentage of finance</i>						
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	99.0%	99.2%	99.2%	98.2%	0.0%	98.6%
Other	1.0%	0.8%	0.8%	1.8%	0.0%	1.4%
Capital expenditure						
Water and sanitation	41 482	80 929	80 929	30 952	0.00%	-61.75%
Electricity	4 153	593	593	–	0.00%	-100.00%
Housing	–	–	–	–	0.00%	0.00%
Roads and storm water	2 044	9 881	9 881	9 223	0.00%	-6.66%
Other	13 366	5 195	5 195	2 798	0.00%	-46.15%
Total	61 045	96 599	96 599	42 972	0.00%	-214.57%
<i>Percentage of expenditure</i>						
Water and sanitation	68.0%	83.8%	83.8%	72.0%	0.0%	28.8%
Electricity	6.8%	0.6%	0.6%	0.0%	0.0%	46.6%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	3.3%	10.2%	10.2%	21.5%	0.0%	3.1%
Other	21.9%	5.4%	5.4%	6.5%	0.0%	21.5%
T 5.6.1						

5.5 CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	2018-19			Variance: 2018-19	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Construction of the 27km raw bulk water pipeline from the Orange River to Paisley dam in Rouxville	17 456	17 456	7 481	57%	0%
Upgrading of the Rouxville / Roleleathunya Water Treatment Works	12 544	12 544	6 540	48%	0%
Rouxville/Roleleathunya: Construction of 1.7km paved road and related storm water phase 1	4 847	4 847	5 608	-16%	0%
Smithfield Bulk Water	7 817	7 817	9 965	-27%	0%
Zastron/Matlakeng: Construction of 600m paved road and related storm water for Zama street	125	125	3 615	-2802%	0%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A	Construction of the 27km raw bulk water pipeline from the Orange River to Paisley dam in Rouxville				
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to residents of Rouxville, Roleleathunya and Uitkoms				
Name of Project - B	Upgrading of the Rouxville / Roleleathunya Water Treatment Works				
Objective of Project	Increase of bulk water supply to Rouxville				
Delays	None identified				
Future Challenges	Maintenance of the treatment works				
Anticipated citizen benefits	Sustainable water supply for future demands				
Name of Project - C	Rouxville/Roleleathunya: Construction of 1.7km paved road and related storm water phase 1				
Objective of Project	Upgrading of Rouxville/Roleleathunya roads				
Delays	None identified				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Better roads and related storm water				
Name of Project - D	Smithfield Bulk Water				
Objective of Project	Increase of bulk water supply to Smithfield				
Delays	None identified				
Future Challenges	Maintenance of the water treatment works				
Anticipated citizen benefits	Sustainable water supply for future demands				
Name of Project - E	Zastron/Matlakeng: Construction of 600m paved road and related storm water for Zama street				
Objective of Project	Upgrading of Zastron/Matlakeng roads				
Delays	None identified				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Better roads and related storm water				
T 5.7.1					

5.6 CASH FLOW (Captured manually)

Cash Flow Outcomes				
R'000				
Description	2017-18	Current: 2018-19		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	22 522	66 742	77 042	16 426
Government - operating	58 955	66 393	66 393	65 693
Government - capital	63 342	104 708	68 208	56 061
Interest	3 206	4 835	4 835	398
Dividends	–	10	10	12
Payments				
Suppliers and employees	(79 920)	(141 893)	(143 756)	(73 955)
Finance charges	(8 536)	(4 879)	(5 715)	(9 973)
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	59 569	95 916	67 018	54 662
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(62 323)	(96 599)	(96 599)	(45 389)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 323)	(96 599)	(96 599)	(45 389)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(92)	–	–	(232)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(92)	–	–	(232)
NET INCREASE/ (DECREASE) IN CASH HELD	(2 845)	(683)	(29 581)	9 041
Cash/cash equivalents at the year begin:	15 953	900	900	4 578
Cash/cash equivalents at the year end:	13 108	218	(28 681)	13 619
Source: MBRR A7				T 5.9.1

The municipality closed the 2018/19 financial year with a positive balance of R 13,6 million. This was due to unspent conditional grants.

5.7 BORROWINGS AND INVESTMENT

The big portion of borrowing facilities relates to Centlec. The Centlec Payable relates to the amounts owed to Centlec in terms of services provided on behalf of the Municipality. This accounts for electricity bulk purchases, electricity sales on behalf of Mohokare Local Municipality, general expenditure incurred in the process of performing these duties as well as distribution losses. No contractual agreement regarding repayment terms interest rate applicable, maturity date has been agreed upon and based on past history there is no indication that Centlec will demand payment within the next 12 months.

Actual Borrowings: 2016-17 to 2018-19			
	R' 000		
Instrument	2016-17	2017-18	2018-19
Municipality			
Long-Term Loans (annuity/reducing balance)	32 445	36 144	39 352
Financial Leases	525	–	–
Municipality Total	32 970	36 144	39 352
			<i>T 5.10.2</i>

Investments are made with different financial institutions.

Municipal and Entity Investments			
	R' 000		
Investment* type	2016-17	2017-18	2018-19
	Actual	Actual	Actual
Municipality			
Deposits - Bank	14 226	2 573	6 637
Municipality sub-total	14 226	2 573	6 637
Consolidated total:	14 226	2 573	6 637
			<i>T 5.10.4</i>

5.8 PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

5.9 SUPPLY CHAIN MANAGEMENT

Progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

<u>No</u>	<u>Name</u>	<u>Qualification</u>
1	Lesibo Sebatane	B.Com (Accounting) + MFMP
2	Pule Lesenyeho	B.Com (General) + MFMP
3	Thabiso Lebetse	National Diploma (Internal Auditing) + MFMP
4	Dideka Mazwi	B.Tech (Cost & Management Accounting) + MFMP

AGSA recommended that an SCM Manager be appointed. The Municipality did not have this vacancy previously in the organogram and it is now included.

5.10 GRAP COMPLIANCE

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

CHAPTER 6 - AUDITOR GENERAL REPORT

Report of the auditor-general to the Free State Legislature and the council on the Mohokare Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Mohokare Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, the statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Mohokare Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

Service charges

3. The municipality did not recognise revenue in terms of Generally Recognised Accounting Practice 9, Revenue from exchange transactions. The municipality did not read all water meters on a monthly basis and the reasonability of the estimated units levied on the billing system could not be confirmed. Due to the volume of transactions involved, I was unable to determine the full extent of the overstatement of service charges and receivables from exchange transactions in the current and previous years. Consequently, I was unable to determine whether any adjustments were necessary to service charges stated at R67 299 066 (2017: R60 307 071) in the financial statements.

General expenses

4. I was unable to obtain sufficient appropriate audit evidence for general expenses, as the municipality could not provide evidence that goods and services were actually received and utilised for official purposes. I was unable to confirm the general expenditure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the general expenditure stated at R29 336 666, as disclosed in note 36 to the financial statements. Additionally, there was a resultant impact on payables from exchange transactions.

Commitments

5. I was unable to obtain sufficient appropriate audit evidence for commitments due to the status of the accounting records. The municipality did not have adequate systems of internal control to ensure that all commitments were recorded in the commitments register at the correct commitment values. I was unable to confirm commitments by

alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments stated at R 175 006 712 (2017: R96 807 809) in note 39 to the financial statements. Furthermore, the municipality disclosed certain commitments at values that differed from the underlying project documentation.

Unauthorised expenditure

6. The municipality did not disclose all instances of unauthorised expenditure incurred in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality did not include unauthorised expenditure relating to capital spending in the amount calculated for the year. In addition, underspending on certain of the votes was set off against overspending on other votes in the approved budget. I was unable to determine the full extent of the misstatement of unauthorised expenditure stated at R255 890 739 in note 47 to the financial statements, as it was impracticable to do so.

Irregular expenditure

7. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements, which were not disclosed as irregular expenditure. In addition, the municipality utilised Dora grant allocations for purposes other than those stipulated in the schedules and the grant frameworks. I was unable to determine the full extent of the understatement of irregular expenditure stated at R30 791 754 (2017: R20 241 445) in note 49 to the financial statements, as it was impracticable to do so.

Total revenue

8. In addition to the individually material uncorrected misstatement on service charges, revenue was materially misstated by R2 471 229 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Interest received stated at R3 206 029 was understated by R221 662
- Other income stated at R368 257 was overstated by R1 23 432
- Property rates stated at R7 694 858 was understated by R193 999

9. In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm by alternative means government grants and subsidies of R2 179 000.

Total expenditure

10. In addition to the individually material uncorrected misstatement on general expenses, expenditure was materially misstated by R2 793 991 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Employee related costs stated at R67 392 782 was overstated by R2 979 691
- Lease rentals on operating lease stated at R413 918 was understated by R1 85 700

Context for the opinion

1. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

12. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

13. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

15. Note 45 to the financial statements indicates that as at 30 June 2018, the municipality's current liabilities exceeded its current assets by R63 547 749. The municipality has been deducting pension from employee's salaries, but has been unable to pay over R39 405 103 (2017: R30 757 301) of these amounts deducted to the relevant third parties, as disclosed in note 40. These events or conditions, along with other matters as set forth in note 45, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

16. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Pension fund contributions

17. As disclosed in note 40 to the financial statements, the pension funds issued notices of motion against the municipality relating to long-outstanding employee deductions as well as council contributions. As at 30 June 2018, the outstanding payments to the pension funds totalled R39 405 103 (2017: R30 757 301). This amount is included in the staff salaries and third party's payables as per note 15 to the financial statements. The act by management of withholding contributions and not paying it over to the relevant schemes is likely to result in adverse financial consequences for the employees.

Capital projects

18. As disclosed in note 10 to the financial statements, several of the municipality's capital projects are taking much longer to be completed as a result of the termination of services of consulting engineers and contractors due to poor project management and workmanship.

Restatement of corresponding figures

19. As disclosed in notes 42 and 43 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Material impairment

20. As disclosed in note 4 to the financial statements, receivables from exchange transactions were impaired by R180 395 268 (2017: R1 38 256 385). In addition, as disclosed in note 5 to the financial statements, receivables from non-exchange transactions were impaired by R90 084 738 (2017: R51 424 211).

Material losses

21. As disclosed in note 50 to the financial statements, the municipality incurred material electricity distribution losses of R6 702 185 (2017: R7 198 627), mainly due to tampering with meters, the incorrect ratios used on bulk meters, faulty meters, and illegal electricity connections.

Fruitless and wasteful expenditure

22. As disclosed in note 48 to the financial statements, fruitless and wasteful expenditure of R1 606 551 (2017: R5 483 951) was incurred during the current and previous financial year, due to interest on overdue accounts as well as fines and penalties on late payments.

Other matters

23. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

24. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. The disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Unaudited supplementary information

25. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

26. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

27. In preparing the financial statements, the accounting officer is responsible for assessing the Mohokare Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

28. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

29. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

30. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPAs) presented in the annual performance report. I was engaged to perform procedures to raise findings but not to gather evidence to express assurance.

31. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2018:

KPA	Pages in the annual performance report
KPA 1: basic service delivery and infrastructure development	

32. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA 1: basic service delivery and infrastructure development

Various indicators

33. The reported achievements for the following indicators and targets were not consistent with the planned indicators and targets approved in the service delivery and budget implementation plan:

Key performance indicator	Planned target	Reported achievement
Upgrading of the Rouxville Waste Water Treatment Works	Appointment of a contractor and site establishment by 30 June 2018	Not achieved
Installation of 4 high mast lights in Roleleathun a	30m high mast lights installed b 30 June 2018	Achieved, 2 installed but not connected

Key performance indicator	Planned target	Reported achievement
Upgrading of the Zastron raw water pump station	Equipping of the 2 raw water pump stations with mechanical and electrical(M&E) components b 30 June 2018	Not achieved
10793 of formal households with water in Ml-M dail	Provision of drinking water to 10793 HH in MLM 100%	Not achieved
10793 HH of receiving weekly domestic waste collection services	10793 HH receiving domestic waste collection services	Not achieved
Upgrading of 1.7 km access roads in Roleleathunya	15% physical progress on site by 30 June 2018	Not achieved
Maintenance of roads by June 2018	Re-gravelling of 6km gravel roads	Not achieved
Upgrading of the 0.6 km Zama access road in Matlakeng	60% physical progress on site by 30 June 2018	Not achieved

Installation of 180 onsite sanitation systems by June 2018

34. The measures taken to improve performance against the target Installation of onsite sanitation toilet systems for 180 HH in Refengkhotoso, were not included in the annual performance report.

Various indicators

35. I was unable to obtain sufficient appropriate audit evidence to support the measures taken to improve performance against the performance targets below as reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance.

Key performance indicator	Annual target	Reported actual achievement
Installation of 180 onsite sanitation systems by June 2018	Installation of onsite sanitation toilet systems for 180 HH in Refengkhotoso	Not achieved Only 43 units were completed
10793 of formal households with water in Ml-M daily	Provision of drinking water to 10793 HH in MLM(100%)	Not achieved
10793 HH of receiving weekly domestic waste collection services	10793 HH receiving domestic waste collection services	Not achieved
Maintenance of roads by June 2018	Re-gravelling of 6km gravel roads	Not achieved

Upgrading of the 0.6 km Zama access road in Matlakeng	60% physical progress on site by 30 June 2018	Not achieved
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All indicators

36. A comparison between the planned and actual performance of the year under review and the previous year was not included in the annual performance report for all indicators of KPA 1: basic service delivery and infrastructure development.

Smithfield bulk water supply

37. The source information and method of calculation for the achievement of the planned indicator were not clearly defined.

Various indicators

38. Material differences were noted between the summarised indicator grant expenditure tables in support of the annual performance report, reported actual achievement in the annual performance report, grant expenditure per commitment register, grant expenditure per grant register and grant expenditure as per the grant note in the annual financial statements for the indicators below:

Key performance indicator	Annual target	Reported actual achievement
To execute work amounting to R20 million on RBIG (Regional bulk infrastructure grant) by 30 June 2018	R20 000 000 to be certified as work done by 30 June 2018	Actual expenditure incurred: R12 478 471 Not achieved
To execute work amounting to R30 million on WSIG (Water services infrastructure grant) by 30 June 2018	R30 000 000 to be certified as work done by 30 June 2018	Actual expenditure incurred. RI 6 964 548,49 Not achieved
To execute work amounting to R18 236 000 on Municipal Infrastructure Grant by 30 June 2018	R18 236 000 to be certified as work done by 30 June 2018	Actual expenditure incurred: R9 161 425,64 Not achieved

Various indicators

39. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators relating to KPA 1: basic service delivery and infrastructure development. This was

due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Key performance indicator	Annual target	Reported actual achievement
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Installation of 180 onsite sanitation systems by June 2018	Installation of onsite sanitation toilet systems for 180 HH in Refengkhotoso	Not achieved Only 43 units were completed
Installation of 4 high mast lights in Roleleathunya	30m high mast lights installed by 30 June 2018	Achieved, 2 installed but not connected
Upgrading of the Zastron water treatment works	35% completion of works by 30 June 2018	Achieved, 38% progress
Upgrading of the 1.7 km access roads in Rolelathunya	15% physical progress on site by 30 June 2018	Not achieved
Upgrading of the Rouxville Waste Water Treatment works	Appointment of a contractor and site establishment by 30 June 2018	Not achieved
Smithfield bulk water supply	Completion of feasibility study	Achieved
10793 of formal households with water in Ml-M daily	Provision of drinking water to 10793 HH in MLM(100%)	Not achieved
10793 HH of receiving weekly domestic waste collection services	10793 HH receiving domestic waste collection services	Not achieved
Maintenance of roads by June 2018	Re-gravelling of 6km gravel roads	Not achieved
Upgrading of the 0.6 km Zama access road in Matlakeng	60% physical progress on site by 30 June 2018	Not achieved

Other matters

40. I draw attention to the matters below.

Achievement of planned targets

41. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year and explanations provided for the underachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 33 to 39 of this report.

Adjustment of material misstatements

42. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1: basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Introduction and scope

43. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

44. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

45. The annual financial statements were not submitted to the auditor-general for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

46. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

47. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.

48. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified, as indicated in the basis for qualification paragraph. Irregular expenditure incurred in the current year as per note 49 to the financial statements amounted R10 550 309. The majority of the disclosed irregular expenditure was caused by the utilisation of Dora grant allocations for purposes other than those stipulated in the schedules and the grant frameworks, as well as non-compliance with SCM processes in the procurement of goods and services.

49. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 606 551, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on overdue accounts and poor quality work by contractors, resulting in work having to be redone.

50. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R43 331 896, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred, as indicated in the basis for qualification paragraph. The majority of the disclosed unauthorised expenditure was caused by overspending on votes in prior financial years and the current year.

Revenue management

51. A credit-control and debt-collection policy was not implemented, as required by section 96(b) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and section 62(1) of the ME-MA.

52. An adequate management, accounting and information system was not in place to account for revenue, debtors and receipts of revenue, as required by section 64(2)(e) of the MFMA.

53. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

54. Accounts for municipal tax and charges for municipal services were not prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

Strategic planning and performance management

55. No key performance indicators were set in respect of the provision of basic electricity, as required by section 43(2) of the MSA and municipal planning and performance management regulation 10(a).

56. The performance management system and related controls were inadequate, as it did not describe how the performance review and reporting processes should be conducted, as required by municipal planning and performance management regulation 7(1).

Consequence management

57. Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the ME-MA.

58. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Human resource management

59. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Utilisation of conditional grants

60. The municipal infrastructure grant, regional bulk infrastructure grant and water service infrastructure grant were not spent in accordance with the applicable grant frameworks, in contravention of section 1 7(1) of Dora.

Procurement and contract management

61. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 1 7(a) and (c). Similar non-compliance was also reported in the prior year.

62. Some quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b). Similar non-compliance was also reported in the prior year.

63. Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

64. Some contracts were awarded to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b). This non-compliance was identified in the procurement processes for the supply and installation of 410 on site sanitation toilet systems in Refengkgotso.

65. The preference point system was not applied in the procurement of some goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000). The non-compliance was identified in the procurement processes for the upgrading of the Zastron water treatment works.

66. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by SCM regulation 5.

67. The performance of some contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. This non-compliance was identified in the procurement processes for the construction of a 27 kilometre raw water pipeline (Orange River

— Paisley Dam), Smithfield bulk water scheme, and Rouxville / Roleleathunya: upgrading of the wastewater treatment works and Smithfield access road.

68. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Other information

69. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported in this auditor's report.

70. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

71. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements and the selected KPAs presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

72. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

73. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

74. Although the leadership established a formal code of conduct that addresses appropriate ethical and moral behaviour, the continuous monitoring of adherence to policies needs to be improved as several instances of non-compliance with legislation and municipal policies and procedures were noted.

75. Due to vacancies in senior management positions, the municipality lacked capacity to adequately respond to the matters reported by the external auditors in the previous financial year, and to implement consequential performance management for managers and officials that did not comply with legislation and did not implement municipal policies and procedures.

76. Review functions performed by heads of user departments were not adequate to ensure that information provided to the finance directorate and the performance management directorate

was credible. Different departments worked in silos, resulting in a breakdown in communication between the different units.

77. Several month-end reconciliations were not prepared or adequately reviewed. Control and suspense accounts were not investigated and cleared on a monthly basis.

78. The risk management unit did not closely monitor management's responses to the municipality's strategic and operational risks. The effectiveness of this unit was insufficient.

79. The internal audit unit was not functional. A risk-based internal audit plan was not compiled. There was further no sufficient progress in addressing the external quality assurance assessment reviews performed. This is also partly attributable to the vacant chief audit executive position.

80. The audit committee was not established for the full period. This affected the effectiveness of the internal audit unit and audit committee, with the result that they were unable to influence an improvement in the control environment of the municipality.

Furthermore, steps taken by management to address internal control deficiencies and emerging audit risks identified in the previous audit were not adequately monitored.

Auditor - General

Bloemfontein

28 February 2019



S O U T H ' A F R I C A

Annexure — Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPAs and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Mohokare Local Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

6.1.2. AUDIT ACTION PLAN FOR 2016/17 ADDRESSING AUDIT FINDING

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Annual Financial Statements	During the high-level review of the 2016-2017 annual financial statements, a differences were noted when amounts as per the line items were compared to the supporting schedules submitted for audit in respect of PPE	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	<ol style="list-style-type: none"> 1. Investigate the difference 2. Make the necessary adjustments in the prior financial year 3. PY Error note with accompanying support for the purpose of the 2017/18 audit 	30-Apr-18	Senior Finance Manager - Elmien Wilken
Annual Financial Statements	Inadequate explanations/reasons were given for the variances between the actual amounts and adjusted budgeted figures.	Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.	<ol style="list-style-type: none"> 1. Ensure that all differences between budgeted and actual figures are explained in detail on the Annexures to the Annual Financial Statements 	31-Aug-18	Senior Finance Manager - Elmien Wilken
Annual Financial Statements	Going Concern Disclosure: During the audit of note 46 going concern disclosure on the annual financial statements, the following matters were identified which were not dis in the note.	The is due to management not making a formal assessment of the municipality's ability to continue as a going concern and non-disclosure of additional	<ol style="list-style-type: none"> 1. Revise the disclosure of Going Concern on the AFS. 2. Ensure that the considerations are documented in order to form a basis for the AGSA to review the Going Concern Note 	31-Aug-18	Senior Finance Manager - Elmien Wilken

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	<p>1. Calculations performed on the municipality's financial viability had identified an increase in creditor's balances, creditor's payment period and creditors as a percentage of cash and cash equivalents, there is indication that the municipality may not be adequately managing its working capital or that effective controls are not in place to ensure prompt payments.</p> <p>A period of longer than 30 days to settle creditors calculated of 185,8 days is an indication that the municipality may be experiencing cash flow problems, which may be indicative of or lead to possible going concern/financial viability difficulties.</p> <p>2. The debtors' collection rate was calculated to be 52,1 days, calculated with the accounts receivable (after impairment). The collection days exceeds</p>	<p>events or conditions that may cast significant doubt on the auditee's ability to continue as a going concern.</p>			

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	<p>the ideal period of 30 days. A high debtor-collection period indicates that the municipality is experiencing challenges in the collection of outstanding amounts due to it, which exposes it to cash flow risk and likely liquidity problems.</p> <p>3. The municipality has been subject to legal disputes from supplier due to non-payment of services rendered by the suppliers, therefore this is an indication that the municipality may be experiencing cash flow problems, which may be indicative of, or may lead to possible going concern/financial viability difficulties.</p> <p>4. The disclosure does not make reference to the possible withholding of future equitable share funding.</p>				

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Bank Reconciliations	Bank reconciliations had not been included as part of the supporting evidence file submitted.	Management did not ensure that bank reconciliations were performed to support the annual financial statements.	1. Monthly performing of the bank reconciliations for ALL bank accounts of the Municipality.	Ongoing	Expenditure Accountant - Thandeka Stoffel
DoRA vs. Current Year Receipts	An amount of R7 million was allocated to Mohokare LM per the DoRA in respect of Bucket Eradication. This program was managed by DWS & COGTA. No information in respect of the spending of the amount could be provided for audit purposes. The amount as also not included in the amount disclosed for Grant Revenue on the AFS.	Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	1. Follow up on the matter should be made with DWS and COGTA. All information regarding spending, roll-over requests etc. should be obtained.	31-Mar-18	Technical Director - Skhu Shamase
Unspent grants not cash-backed	While performing the audit on conditional grants, we identified that the amount of unspent conditional grants as per financial statements exceeds the cash held in the	Management did not implement proper cash flow risk management measures to ensure that unspent conditional grants are cash backed. Grant	1. Management should provide a detailed breakdown of areas on which the grants were spent other than for its intended purpose.	30-Apr-18	Expenditure Accountant - Thandeka Stoffel Supply Chain Accountant - Lesibo Sebatane

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	bank account of the municipality. This is an indicator that money received for conditional grants were used to fund expenditure other than for the intended purpose as per the conditional grant requirements.	monitoring activities should ensure that all grants are utilised for the intended purposes.			
Non-compliance: Unauthorised, Irregular and Fruitless and wasteful expenditure	The performance of audit procedures on the 2016-17 financial statements had confirmed that reasonable steps were not taken to prevent unauthorised-, irregular- and fruitless and wasteful expenditure, as required by section 62(1) (d) of the Municipal Finance Management Act.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	1. Develop a policy which will govern the processes followed to monitor compliance to laws and regulation.	31-May-18	Chief Financial Officer

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Section 32 Committee not functional/sitting	<p>The following was noted during the audit process:</p> <p>1). Audit procedures performed had confirmed that the municipality had not performed investigations regarding unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure during the 2016-2017 financial year.</p> <p>2) The auditor could not identify whether the municipality had established a disciplinary board in order for the municipality to investigate instances of financial misconduct during the 2016-2017 financial year.</p>	<p>The matter occurred due to the fact that the municipality did not have a functioning Section 32 committee in order to investigate irregular expenditure, fruitless and wasteful and unauthorised expenditure.</p>	<p>1. Ensure that reports are submitted to the section 32 Committee timeously</p>	31-May-18	<i>Chief Financial Officer</i>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Overtime Pre-Approval	There was no pre-approval given to any of the employees who worked overtime during the financial year. The auditee makes use of the collective agreement they have with SALGA. According to the policy, overtime must be agreed upon prior to work being performed.	There are no controls around the approval of overtime.	1. In conjunction with Human Resources, formulate and circulate a memo to all staff of the Municipality stating that in future no overtime payments will be processed if the necessary pre-approval documentation is not attached to the submission.	28-Feb-18	Human Resources Manager - Dipolelo Matsoso Payroll Accountant - Tumelo Fobane
Salary Control/ VIP Control Accounts	Inadequate reconciliations performed on salary related control accounts	Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	1. Perform a full reconciliation of all salary related control accounts as at 30 June 2017.	31-Mar-18	Payroll Accountant - Tumelo Fobane Senior Finance Manager - Elmien Wilken

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Review of grant registers	Upon the verification of grant registers, it was noted that the grants registers are prepared and reviewed as an excel spread sheet. There is no evidence to prove that they are signed off by the Senior Finance Manager and reviewed by the Chief Financial Officer.	Management did not in all instances implement controls over daily and monthly processing and reconciling of transactions.	1. Grant Registers should be prepared on a monthly basis and be submitted for review (electronically) by the 10th of the following month to the following people: - PMU Manager - Senior Finance Manager	Ongoing	PMU Manager - Skhu Shamase Senior Finance Manager - Elmien Wilken
Interim billing estimates	Accounts with interim billings were identified for the month of June 2017. For these accounts the AGSA went backwards to obtain months which had actual readings and confirmed if there were any reversal for previous estimates billed. From this exercise it was noted that in the Munsoft system there were no reversals of the prior months' estimates. Upon further follow up, it was noted that the system does not treat all instances consistently.	Management did not in all instances exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.	1. Request the urgent assistance on this matter from the system provider (Munsoft) in order to determine whether the inconsistency is due to a setup problem or whether the input from officials is incorrect	28-Feb-18	Revenue Manager - S Moorosi Revenue Accountant - A Quvane

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
No monthly reconciliation between the valuation roll and the debtors sub-ledger	<p>There is no reconciliation performed between the valuation roll and the debtors system (i.e. sub - ledger) to ensure that properties that appear on the valuation roll have been billed.</p> <p>This is due to management comparing the valuation roll in the system (PF03 on Sebata) with the physical valuation for differences and not also reconciling the valuation roll to the debtors sub - ledger.</p>	Management did not in all instances implement controls over daily and monthly processing and reconciling of transactions.	The revenue accountant should perform a monthly reconciliation between the valuation roll and the debtors system i.e. sub - ledger. The Revenue Manager should check the reconciliation and sign as evidence of review.	Ongoing	<p>Revenue Manager - S Moorosi</p> <p>Revenue Accountant - A Quvane</p>
Difference between GL & Sub ledgers	For service related charges, reconciliation was performed between the General Ledger and the Sub - Ledgers i.e. PC 06 (Sebata) and the Movement Report (Munsoft). Several differences were noted by the AGSA.	<p>Monthly reconciliations were not performed between the general ledger and the sub-ledgers.</p> <p>This may lead to a material limitation of scope and a possible modification of the audit report.</p>	1. Reconciliation of the sub ledger to the General Ledger on a monthly basis to be performed by the Revenue accountant and reviewed by the Revenue Manager.	Ongoing	<p>Revenue Accountant - A Quvane</p> <p>Revenue Manager - S Moorosi</p>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Incorrect classification of interest received	During the audit of service charges, it was noted that interest raised on outstanding amounts were classified as either service charges revenue or property rates revenue and not classified as other revenue from exchange transactions (interest received) as stated in GRAP. This issue was also reported as ISS.60 in the prior year audit.	Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.	1. The configuration of the Munsoft System should be reviewed in order to ensure that it is set up correctly	31-Mar-18	Revenue Accountant - A QuvaneRevenue Manager - S Moorosi
No Policy for Water Estimates	During the audit of water estimates, it was noted through discussion held with the Revenue Manager that the municipality does not have a council approved policy in place to define management's methodology when estimating water consumption in instances where water meters were not physically read. The parameters set in the billing system for water estimates could thus not be verified. The credit control and debt collection policy is silent on	Management did not in all instances establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities.	1. The revenue manager should develop a policy defining the parameters to be set in the system over water estimates. This policy should be submitted to council for approval.	31-Mar-18	Revenue Manager - S Moorosi

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	<p>what considerations (i.e. seasonal changes to be factored in the calculation or not) to be taken into account over estimates and how the calculation will be done.</p> <p>Consultants define parameters in the system over water estimates without the prior approval of council.</p>				
Estimates billed on accounts for 12 months or longer	<p>During the audit on a sample of water estimates, we identified the following accounts that were estimated for longer than an expected or reasonable time i.e. 12 months. This raises questions on the accuracy of the revenue recognised as well as whether actual water consumption is recognised in the correct financial year.</p>	<p>Management did not in all instances develop and monitor the implementation of action plans to address internal control deficiencies.</p>	<p>1. On a monthly basis review the estimates billing report and identify all meters where an estimate was billed for two or more months in a row.</p>	Ongoing	<p>Revenue Accountant - A Quvane</p> <p>Revenue Manager - S Moorosi</p>

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Differences in names in the valuation roll and deeds office	While performing a comparison between the owner names as per the valuation roll on the billing system and the owner names as per the deeds' office several differences were identified.	Management did not in all instances implement controls over daily and monthly processing and reconciling of transactions.	1. Investigate all differences as identified by the AGSA and make the necessary corrections to the valuation roll.	31-Mar-18	Revenue Accountant - A Quvane Revenue Manager - S Moorosi
Deviations not reported/disclosed in the AFS	Inspection of the minutes of council meetings held during the 2016-2017 financial year as well as the annual financial statements, it was noted that none of the deviations were reported to council and were not included as a note to the annual financial statements.	Lack of oversight from management to ensure that the notes to annual financial statement are complete and that deviations are reported to council as required by supply chain laws and regulations.	1. A register of all deviations should be compiled by the SCM Department	Ongoing Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review	SCM Accountant - Lesibo Sebatane Senior Finance Manager - Elmien Wilken
Journal entry errors	During the routine testing of the large and unusual transaction for the receivables from non-exchange transactions, several issues were identified.	This is due to the review of the journal by the revenue manager not detecting the incorrect allocation of the receipt.	1. Ensure that all journals are reviewed against supporting documentation by the revenue manager prior to processing on the system	Ongoing	Revenue Manager - S Moorosi

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Payments not made within 30 Days - Non-adherence to MFMA	Several instances where payments made to suppliers were in excess of the 30 days' timeframe as set out in the MFMA were identified.	This resulted from poor liability management, poor cash management and a lack of funds.	<ol style="list-style-type: none"> 1. Develop a cost containment plan to ensure that expenditure incurred are of a critical nature for the purpose of Municipal activities. 2. Draw up a cash flow projection to ensure that all transactions entered into can indeed be settled within the prescribed timeframe 	Ongoing	Chief Financial Officer
Limitation of scope - Creditor statements	<p>The following creditor statements as at 30 June could not be obtained:</p> <ul style="list-style-type: none"> - Ndumiso Voyi - Future Indefinite 	This is due to the municipality not maintaining supporting evidence for all trade payables dis in the 2016-17 annual financial statements.	<ol style="list-style-type: none"> 1. Contact the relevant creditors and request the statements in order to ensure that the amounts per the creditors listing is indeed correct. 2. Where all manners of contacting the creditor is exhausted, and proof thereof can be provided to the AGSA, consider the write off of the creditor balance. 3. For all write offs, amend the AFS as well as the disclosure on the PY Error note. 	30-Apr-18	Senior Finance Manager - Elmien Wilken

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Unsupported Fuel & Oil Expenditure	<p>While testing the sample of fuel expenses it was established that there was not adequate internal controls in place to ensure that the fuel & oil purchases were for official municipal business.</p> <p>Insufficient documentation is provided for the fuel & oil expenditure to conclude that the expenditure was incurred for official municipal business. Controls are not in place to prevent or detect the abuse of fuel cards for unauthorised expenditure.</p>	<p>The weak controls in place over the management could result in the following:</p> <ul style="list-style-type: none"> • Abuse of fuel cards by employees who are using pool vehicles to travel. • Theft of fuel by employees or external parties who gain access to the fuel cards. 	<p>1. The following controls should be in place to manage the expenditure in respect of fuel & oil purchases:</p> <p>a) Custody over the fuel cards is limited as they are not kept in a secure location.</p> <p>b) There is no fuel card register in place to control the movement of the cards.</p> <p>c) Logbooks are not kept to ensure that the expenditure is for official municipal business in respect of fuel & oil purchases.</p> <p>2. All instances indicating foul play should be investigated and a report with supporting documentation on the matter should be kept on file as proof that the matter was investigated and cleared/further action was taken against the employee in the instances where abuse was identified.</p> <p>3. These reports should be submitted to the SFM and the CFO on a monthly basis for review</p>	<p>Ongoing</p> <p>Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review</p>	Asset Officer - J Yeko

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Journals not approved by the CFO	Several instances of journals not approved by the Chief Financial Officer were identified.	This is as a result of the municipality not having any monitoring controls in place to ensure that all journals are reviewed and approved prior to capturing on the system. This will result in unauthorised and incorrect journal entries being processed on the accounting system.	1. All journals should be approved by the Chief Financial Officer.	Ongoing	Chief Financial Officer
Inaccurate creditors reconciliations performed	As part of the work performed on payables from exchange transactions it was noted that not all creditors had monthly and year-end reconciliations. In addition to this we also noted an ample amount of correcting journals due to preparers incorrectly posting payments to creditors as an expense instead of eliminating/reducing the creditor balance.	This is caused by preparers not having the necessary accounting knowledge to correctly perform the reconciliations and a lack of review to ensure that creditor reconciliations are correct. The municipality has not automated the management creditors and are not making use of the supplier module in the financial accounting system.	1. The expenditure accountant to obtain monthly statements from all creditors as per the creditors listing.	Ongoing Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review	Expenditure Accountant - Thandeka Stoffel

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Late submission of VAT Returns	Inspection of the Value Added Tax (VAT) returns for the 2016-17 financial year, confirmed that the following VAT returns were not submitted on time as per the legislation.	The matter occurred due to management not implementing internal controls, ensuring the municipality complies with the VAT Act by submitting the VAT returns as per the legislated time frame.	1. Ensure that VAT submissions are made within the legislative time frames	Ongoing	Senior Finance Manager - Elmien Wilken
Insufficient information on returns	Per inspection of the VAT returns submitted it was established that the VAT201 returns do not disclose the amounts of zero rated & exempt supplies made by the municipality.	Management did not in all instances review and monitor compliance with applicable laws and regulations.	1. Management should disclose the amount of zero rated supplies, exempt & non-supplies (out-of-scope supplies) on the VAT 201 return.	Ongoing	Senior Finance Manager - Elmien Wilken
Water losses calculation issues	During the auditing of water losses as dis in note 51 to the annual financial statements, the AGSA noted the following issues: 1. There is no documented and approved approach/methodology as a guideline in determining the	This is due to a breakdown of communication between the Technical Services Manager responsible for the water distribution loss calculation and the Finance department.	1. The Water Services Manager and the Senior Finance Manager should design an approach/methodology for the calculation of water losses	31-Mar-18	Water Services Manager - Moshe Fobane Senior Finance Manger - Elmien Wilken

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	value of the water loss.				
	2. The calculation of the distribution loss is not adjusted with internal consumption as the municipality does not account for internal usage.	This is due to a breakdown of communication between the Technical Services Manager responsible for the water distribution loss calculation and the Finance department.	2. The internal consumption of the Municipality should be metered and deducted from the total amount reported as water losses.	31-Mar-18	Water Services Manager - Moses Fobane Technical Director
	3. manual readings were not signed by the readers and supervisors to take accountability of the accuracy of the readings thereof.	This is due to a breakdown of communication between the Technical Services Manager responsible for the water distribution loss calculation and the Finance department.	3.All readings should be signed off by the person taking the readings as proof of taking accountability for the readings.	Ongoing Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review	Water Services Manager - Moses Fobane Technical Director

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
	4. On comparison of the electricity costs used in managements calculation to the underlying source documentation (i.e. invoices from Eskom) obtained from the expenditure accountant, differences were identified	This is due to a breakdown of communication between the Technical Services Manager responsible for the water distribution loss calculation and the Finance department.	4. A file where copies of all the Eskom invoices relating to the water plants are kept per month should be compiled in order to provide sufficient evidence for the calculation.	Ongoing Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review	Expenditure Accountant - Thandeka Stoffel
	5. No evidence could be provided for the amount of R 1 174 654,45 for water chemicals & sampling costs used in managements calculation.	This is due to a breakdown of communication between the Technical Services Manager responsible for the water distribution loss calculation and the Finance department.	5. A file where copies of all the invoices relating to the purchase of water chemicals and the cost of testing water are kept per month should be compiled in order to provide sufficient evidence for the calculation.	Ongoing Submit all information relating to July 2017 - January 2018 by 31 March 2018 for review	Expenditure Accountant - Thandeka Stoffel
Employee costs	Vacancies in key positions	During the compliance testing on employee related costs it was identified that the following key management positions and finance positions were vacant during the year under review: 1 x Municipal Manager (from 1 February 2017)	Critical management positions need to be filled.	ONGOING	ACTING HRM

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
		1 x Supply Chain Manager (vacant for the full year) 1 x Director: Community services 1 x Director: Technical services			
Payables	Leave accrual incorrectly calculated	This misstatement was caused by the fact that management did not perform an adequate review on the leave provision calculation.	Management should revisit the population and correct the misstatement by including the omitted leave days in the calculation.	ONGOING	ACTING HRM
Employee costs	The overtime and Internal control deficiencies	There was no pre-approval given to any of the employees who worked overtime during the financial year. The auditee makes use of the collective agreement they have with SALGA. According to the policy, overtime must be agreed upon prior to work being performed.	Pre- approval template has been created for implementation	ONGOING	ACTING HRM

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
Employee costs	Appointments	The previous HR manager did not keep accurate record of shortlisted candidates.	3) It is recommended management follow a transparent recruitment process, retaining documentation like shortlist, qualifications etc.	ONGOING	ACTING HRM
Employee costs	Leave pay out no calculated correctly	This was caused due to the lack of proper review of the leave pay-out calculations before payment thereof.	Management should ensure that the preparer of the calculation take the necessary due diligence in the preparation thereof, taking into account the requirements (contract or general policy) for the specific individual that is receiving the leave pay-out	ONGOING	ACTING HRM
AOPO	KPI set not including percentage of households having access to water, sanitation and electricity	Management did not consider prior year audit findings during the revision process for the IDP and drafting of the SDBIP. This results in material non-compliance with laws and regulations.	Management shall ensure that the during the review process of the IDP all necessary amendments are effected, which will result in the SDBIP to be reviewed accordingly in the 2017/2018 financial year	30-Jun-18	PMS and Technical services

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
AOPO	Usefulness criteria not met for performance indicator " Frequency of removal of household refuse"	Management did not utilise the Framework for Managing Programme Performance Information when developing performance indicators and related targets. This may lead to inaccurate reporting of actual achievement which may result in a modification of the audit conclusion in the audit report.	Unit managers should consider changing the register from daily to weekly and ensure that it is signed by the community service supervisor and reviewed and signed by the unit managers. The unit managers should ensure that the community services supervisor sign the monthly report to acknowledge accuracy thereof.	30-Jun-18	PMS and Community services
AOPO	Usefulness criteria not met for performance indicator " Provision of Arial lighting and electrification of household by 30 June 2017"	Management did not in all instances exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	It shall be ensured that during the review of the 2017/2018 SDBIP the target will be revised to be in line with the SMART Principle	28-Feb-18	PMS and Technical services

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
AOPO	Usefulness criteria not met for performance indicator "All occupied households with tap in yard"	<p>Management did not utilise the Framework for Managing Programme Performance Information when developing performance indicators and related targets.</p> <p>As a result, performance indicators that are not well defined and unsuitable performance targets which are not related to current baselines were specified. This may result in the municipality not improving their current level of performance.</p>	<p>It shall be ensured that when setting performance indicators and related targets, the "Framework for Managing Programme Performance Information when developing performance indicators and targets" is utilised effectively and ensure the target selected meets with the "SMART" criteria.</p> <p>It shall be ensured that during the review of the 2017/2018 SDBIP the target will be revised to be in line with the SMART Principle.</p>	28-Feb-18	PMS and Technical services
AOPO	Usefulness criteria not met for performance indicator "number of new connections"	<p>Management did not utilise the Framework for Managing Programme Performance Information when developing performance indicators and related targets.</p> <p>As a result, performance indicators that are not well defined and unsuitable performance targets which are not related to current</p>	<p>It shall be ensured that when setting performance indicators and related targets, the "Framework for Managing Programme Performance Information when developing performance indicators and targets" is utilised effectively and ensure the target selected meets with the "SMART" criteria.</p> <p>And It shall also be ensured that during the review of the 2017/2018 SDBIP the</p>	28-Feb-18	PMS and Technical services

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	Completion date	Responsible Unit / department as well as Officials:
		baselines were specified. This may result in the municipality not improving their current level of performance.	target will be revised to be in line with the SMART Principle		
IT	IT: Inadequate implementation of the Information and Communication Technology (ICT) structure	The municipality is in the process of appointing a CIO who will take over the responsibilities of the ISO and Governance Champion.	The municipality must appoint a CIO/IT Manager who will take over the responsibilities of the ISO and Governance Champion.	06/2018	HR&IT Unit Accounting Officer
IT	IT: Inadequate implementation of antivirus and patch management procedure	Due to budget constraints, the municipality did not configure their antivirus and patch management software to provide reports on a daily basis to monitor the virus and patch updates. (Manual updating of the patches, routine of checking updating patches.)	The municipality has re-used the previously Financial System Configured server (SEBATA) after decommissioning the system and has configured the Anti-Virus Server and Patch Server to provide daily reports (i.e. Exception Reports) and reports that can be followed through.	06/2018	IT Unit: IT Technician

Functional Area	Audit finding	Root cause	Remedial Actions [Separate row should be used for each action]	<u>Completion date</u>	<u>Responsible Unit / department as well as Officials:</u>
Provision	None compliance of Zastron & Matlakeng land fill site	Both land fill sites do not qualify as per the regulations of National Environmental Management	The matter was referred to management to identify another land for the land fill site.	31 June 2018	Community Services Manager

APPENDIX A – COUNCILORS, COMMITTEE ALLOCATION AND, COUNCIL ATTENDANCE

Council Members	Full Time/ Part Time FT / PT	Committees Allocated	Ward /Party Representative	Percentage council meetings attendance	Percentage Apologies for non- attendance
Councillor N.I Mehlomakulu (Mayor)	FT		Proportional ANC	91	9
Councillor T. S Khasake	PT	Community Services/ Technical Services/ Finance/ IDP planning LED	Ward 1 ANC	73	27
Councillor T.D Mochechepa	PT	Corp/Technical Services	Ward 2 ANC	100	0
Councillor L. Lekhula	PT	Corporate services / Community Services / IDP planning and LED	Ward 3 ANC	91	9
Councillor B.M Valashiya	PT	Finance/ Corporate Services	Ward 4 ANC	100	0
Councillor T.I Phatsoane	PT	Technical Services/ Community Services/ Planning & LED	Ward 5 ANC	100	0
Councillor M.I Morapela	P/T	Finance / Corporate Services	Proportional ANC	100	0
Councillor M. L Lephuthing	P/T	Corporate Service/ Planning and LED	Proportional ANC	82	18
Councillor I.S Riddle	P/T	Finance/Technical Service/ Community Services	Proportional ANC	100	0
Councillor L.J Lipholo	P/T	Technical Services/ Planning & LED	Proportional DA	73	27

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, IT, Town Planning, LED, PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, Records, Administration, Council Committee and Council support, Public Participation, Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Park, Recreation, Libraries, Social Services, Sport Development, Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads, Electricity
Section 32 Committee on Unauthorised, irregular or fruitless and wasteful expenditure	To conduct investigations on and recover Unauthorised, irregular or fruitless and wasteful expenditure incurred
Municipal Public Accounts Committee	To conduct oversight on the execution performance of the municipality
Audit Performance Committee	To conduct oversight on the performance of the municipality

APPENDIX C: THIRD TIER ADMINISTRATION

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office Of the Municipal Manager	
Municipal Manager	S.M Selepe
Integrated Development Planning	Z. March
Local Economic Development	N.S Buyeye
Performance Management Services	T.L. Ravele
Human Resource Management	D. Matsoso
Internal Audit	T.P. Macala
Risk Management	N Ntoyi
Information Technology	K Rampheng
Security Services	S Kaibe
Town Planning	E Meades
Finance Department	
Chief Financial Officer	P.M. Dyonase
Senior Manager	E Wilken
Revenue Manager	S Moorosi
Corporate Department	
Director Corporate	N.S. Buyeye (acting)
Senior Manager Administration	M.M. van Pletzen
Technical Department	
Director Technical	S. Thejane
Water Quality Manager	T.E Fobane
Project Manager	S. Shamase
Community Department	
Acting Community Services Director	Vacant
Community Services Manager	T.A. Lekwala

APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	NO	NO
Building regulations	YES	NO
Child care facilities	NO	NO
Electricity and gas reticulation	YES (outsourced to CENTLEC)	NO
Firefighting services	NO	NO
Local tourism	YES	NO
Municipal airports	NO	NO
Municipal planning	YES	NO
Municipal health services	YES (District EHP)	NO
Municipal public transport	NO	NO
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	NO	NO
Storm water management systems in built-up areas	YES	NO
Trading regulations	YES	NO
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	NO
Beaches and amusement facilities	NO	NO
Billboards and the display of advertisements in public places	YES	NO
Cemeteries, funeral parlours and crematoria	YES	NO
Cleansing	YES	NO
Control of public nuisances	YES	NO
Control of undertakings that sell liquor to the public	YES	NO
Facilities for the accommodation, care and burial of animals	YES	NO
Fencing and fences	YES	NO
Licensing of dogs	NO	NO
Licensing and control of undertakings that sell food to the public	YES	NO
Local amenities	YES	NO
Local sport facilities	YES	NO
Markets	?	NO
Municipal abattoirs	NO	NO
Municipal parks and recreation	YES	NO
Municipal roads	YES	NO
Noise pollution	NO	NO
Pounds	YES	NO
Public places	YES	NO
Refuse removal, refuse dumps and solid waste disposal	YES	NO

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Street trading	NO	NO
Street lighting	YES	NO
Traffic and parking	YES	NO

APPENDIX E: WARD REPORTING

Ward Name(Number)	Name of Ward Councillor and elected ward committee member	Committee Established(Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Councillor T. S Khasake	Yes	10	10	9
Ward 2	Councillor T.D Mochechepa	Yes	06	06	07
Ward 3	Councillor L. Lekhula	Yes	05	05	02
Ward 4	Cllr. B. M. Valashiya	Yes	06	06	07
Ward 5	Councillor T. I Phatsoane	Yes	08	08	07
Ward 6	Councillor M. I. Morapela	Yes	03	03	10

APPENDIX F

APPENDIX G – AUDIT COMMITTEE’S REPORT

REPORT OF THE MOHOKARE LOCAL MUNICIPALITY AUDIT & PERFORMANCE COMMITTEE FOR THE FINANCIAL YEAR ENDED 2017/18

1. Background

1.1 The purpose of the Audit and Performance Committee is to exercise oversight over the municipality’s:

1.1.1 financial and non-financial performance to the extent that it affects the municipality’s exposure to risk and weakens the control environment;

1.1.2 financial reporting process; and

1.1.3 governance, risk management and internal control processes, and provide independent assurance on the adequacy thereof.

1.2 The importance of the Audit and Performance Committee can be sighted as follows:

1.2.1 increasing public confidence in the objectivity and fairness of financial and other reporting;

1.2.2 reinforcing the importance and independence of internal and external audit and similar review processes;

1.2.3 providing additional assurance through a process of independent review; and

1.2.4 raising awareness of the need for adequate internal controls, effective performance and the implementation of audit recommendations and compliance with laws and regulations.

1.3 The Terms of Reference for the Audit and Performance Committee were compiled with in accordance with section 166 of the MFMA and the King III Report on Corporate Governance, and are enshrined in the Audit and Performance Committee Charter.

2. Audit Committee Members and Attendance

2.1 During the financial year under review, the Audit and Performance Committee was non-functional due to the fact that the two (2) members resigned on the 12th July 2017 and the Municipality could not appoint new members due to the vacancy in the Municipal Manager position from April 2017 to February 2018.

2.2 During the 2017/18 financial year, one (1) meeting was held and attendance of members were as follows:

Member	12 July 2017
Ms. K. Mackerduth (chairperson)	✓ <input type="checkbox"/>
Ms. MP. Koatla (member)	✓ <input type="checkbox"/>
Mr. VW. Vapi (member)	✗ <input type="checkbox"/>
Ms. Z Chonco (member)	✗ <input type="checkbox"/>

Legends:

✓ – attended meeting

✗ – apology was received

2.3 Due to non-functionality of the performance and audit committee the committee could not be able to advise the Municipality based on the following:

- The adequacy and effectiveness of governance, risk management and internal control
- The quality of management and monthly / quarterly reports submitted in terms of the Act
- Evaluation of Annual Financial Statements
- Performance Management

2.4 Subsequent to the appointment of Mr S.M Selepe on the 1st March 2018, as the Municipal manager, the processes of appointing of a new Audit Committee was reactivated.

2.5 On the 4th of June 2018, the Municipality appointed three (3) audit committee members. The appointed members are; Ms. Z. Chonco (Chairperson), Mr. T. L. Moloi (Member) and Mr. T.A. Motshoikha (Member).

2.6 The first meeting was held on the 30th July 2018 and attendance of members was as follows:

Member	30 July 2018
Ms. Z Chonco (Chairperson)	✓/
Mr. T. L. Moloi (Member)	✓/
Mr. T.A. Motshoikha (Member).	✓/

Legends:

✓ – attended meeting

✗ – apology was received

2.7 During the meeting the Committee took into consideration all activities of Auditing, Finance and Performance information for the 2017/2018 financial year.

3. Audit and Performance Committee Responsibility

3.1 The Audit and Performance Committee was established to assist in improving management reporting by overseeing internal and external audit functions, internal controls, and the financial reporting process, compliance with accounting policies, legal requirements, internal controls and other policies within the Municipality.

3.2 The Committee interacts with and evaluates the effectiveness of the external and internal audit processes and reviews compliance with the code of ethics.

3.3 The Audit and Performance Committee complied reports aligned with its responsibilities arising out of Section 166 of the MFMA and Treasury Regulation 27.1.8 and 27.1.10.

3.4 The Audit and Performance Committee adopted formal terms of reference as per the approved Audit and Performance Committee Charter and has subsequently regulated its affairs in compliance with the said charter, discharging its responsibilities as contained therein.

Conclusion

4. The audit and performance committee given the short period in which it has been in operation cannot confirm the effectiveness and efficiency of the municipality's internal controls as such we shall not be able to give an assurance on fair presentation of the financial statement nor validity, accuracy and completeness of the financial information supporting the figures on the financial statements.

Appreciation

5. The Committee recognises and acknowledges the hard work put in by Mohokare Municipality. We believe that management, under the leadership and guidance of the Municipal manager will yield the desired level of good governance across the Municipality in the near future and that all emerging risks and internal control challenges as reported by assurance providers in their operations during the year under review will be given due care and determination to have them resolved and not become repeat findings.
6. We wish to place on record our gratitude to the Council and Mohokare Management for the support thus far as well as to the AGSA and Internal Audit Unit for their consistent value-adding contributions.

On behalf of the Committee:

Ms. Z. Chonco

Audit and Performance Committee Chairperson

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (3 Largest Contracts Entered into during 2018/19)					
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Maltronics Direct Marketing cc	Printing & mailing of municipal accounts: 3 years	28/09/2018	27/09/2021	S. Moorosi	R 269 762.40
ABSA	Banking Services	01/04/2018	31/03/2021	E. Wilken	Per SLA
Gerox Trading cc	Leasing: Photocopier	24/11/2017	24/11/2020	K. Rampheng	R 772 185

The municipality does not have any Public Private Partnership agreements at present.

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	(a) Service Indicators	Amount	2018/19		2017/18		Satisfaction on Rating 1 - Very Good Rating 2 - Good Rating 3 - Average Rating 4 - Bad
	(b) Service Targets		Target (Amount)	Actual (Amount)	Target (Amount)	Actual (Amount)	
			*Previous Year		*Previous Year		
AON South Africa	Insurance: 3 years	R 804 806	R 702 344.98	R 702 344.98	R 201 201.00	R 201 201.00	2
Altech Netstar	Fleet Management System	R 345 146	R 87 816.03	R 87 816.03	R 278 035.00	R 278 035.00	1
Uniqueco Property (Pty) Ltd	Valuation Roll	R 1 800 000	R192 002.58	R192 002.58	Per SLA	Per SLA	2
Modisenyane Property Valuers	Valuation Roll	R 2 450 000	R 1 398 507.64	R 1 398 507.64	-	-	2
Traffic Management Solutions	Traffic Management	Per SLA	R 735 055.85	R 735 055.85	Per SLA	Per SLA	1
ABSA	Provision of banking and related services	Per SLA	R 159 920.10	R 159 920.10	Per SLA	Per SLA	2
Centlec	Electricity	TBA	-	-	TBA	TBA	1

Municipal Entity/Service Provider Performance Schedule							
Makhedama & Associates	Professional Engineers: Zastron/Zama Road 600m paved access road	R 299 847	R 147 026.00	R 147 026.00	-	-	2
Hammet Chemicals	Supply & delivery of water treatment chemicals and commodities for 3 years	Per SLA	R 1 868 215.90	R 1 868 215.90	-	-	2
Lohan Civil JV Sebandile	Contractor: Upgrading of the Zastron water treatment works	R 13 685 156	R 6 368 681.49	R6 368 681.49	-	-	2
Gerox Trading cc	Leasing of photocopier machines for 3 years	R 765 470	R 235 945.05	R 235 945.05	R 148 841.00	R148 841.00	2
Engineering Aces (Pty) Ltd	Professional Engineers: Rouxville/Roleleathunya phase 1 & phase 2 paved access roads with related storm water	R 1 377 604	R 426 048.50	R 426 048.50	-	-	2
Aryx Consulting (Pty) Ltd	Professional Engineers: Upgrading of the waste water treatment works	R521 988.90	R491 170.56	R 491 170.56	-	-	2

Municipal Entity/Service Provider Performance Schedule							
Proper Consulting Engineers (Pty) Ltd	Smithfield bulk water scheme		R220 000.00	R220 000.00	-	-	2
SAGE (VIP)	Payroll system	Per SLA	R281 331.58	R281 331.58	Per SLA	Per SLA	2
Munsoft	Financial system	Per SLA	R3 426 708.00	R 3 426 708.00	Per SLA	Per SLA	2
Master Maize cc	Contractor: Rouxville/Roleleathunya phase1 & phase 2 paved access roads with related storm water	R 7 170 660	R 5 182 253.32	R5 182 253.32	-	-	2
Sotika Trading cc	Contractor: Zastron/Zama Road 600m paved access road	R 3 593 318	R3 467 551.41	R 3 467 551.41	-	-	2
Group YWO	Contractor: Rouxville/Roleleathunya 27km Pipeline from Orange River to Paisley Dam	R 47 774 261	R5 882 142.81	R 5 882 142.81	-	-	2
Inkazimulu Civil	Engineer: Smithfield Bulk Water Scheme	R 16 278 250	R9 964 750.00	R 9 964 750.00	-	-	2
CUA Trio Holdings	Contractor: Installation of 410 Easy Flush Toilets in Refengkhotoso	R 856 936	R984 699.76	R 984 699.76	-	-	2

Municipal Entity/Service Provider Performance Schedule							
Envirosan	Contractor: Installation of 410 Easy Flush Toilets in Refengkhotoso	R 3 140 928	R2 477 483.24	R 2 477 483.24	-	-	2

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2018/19		
Position	Name	Description of Financial Interests Nil / Or details
Mayor	Cllr. N.I Mehlomakulu	Nil
Councillors		
	Cllr. B.M Valashiya	Nil
	Cllr. B.J Lobi	Nil
	Cllr. T.S Khasake	Nil
	Cllr. L.J Lipholo	Nil
	Cllr. L. Lekhula	Phuthuma Nathi Investments Multichoice MTN Shares Lekhula Construction
	Cllr. T.I Phatsoane	Nil
	Cllr. M.I Morapela	Nil
	Cllr. M.L Lephuthing	Nil
	Cllr. T. Mochechepa	Nil
	Cllr. I.S Riddle	Dummer Family Trustee Nick's Place Guest House - 50% Erf 337 Smithfield Old Mutual Pension Benefits
Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2018/19		
Municipal Manager	S.M. Selepe	Shares: Sasol – 25 Shares with a nominal value of R5000
For completion by PMS		Reitumetse Trust – No income
		Land and Property: Property 2600 hectors in Harrismith with a nominal value of ± R 1 million
		Property 80 Hectors Flat with a nominal value of ± R 1 million
Chief Financial Officer	P.M. Dyonase	Shares: Apex Engineering 33.33% – No income

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2018/19		
Director Corporate Services (acting)	N.S Buyeye	Gifts: Diaries for Senior Managers – No income
Director Technical Services (acting)	S. Shamase	Gifts: Diaries for Senior Managers – No income
Director Community Services	Vacant	-

APPENDIX K- REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE SOURCE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2017/18	Current: 2018/19			2018/19 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and Council	6 555	2 435	2 435	2 726	11%	11%
Finance and Admin	69 723	86 597	81 897	73 842	-17%	-11%
Planning and Development	–	–	–	–	0%	0%
Health	–	–	–	–	0%	0%
Community and Social Services	23 357	28 664	28 664	18 642	-54%	-54%
Housing	7	815	816	12	-6555%	-6560%
Public Safety	48 401	18 900	33 900	36 874	49%	8%
Sport and Recreation	–	–	–	–	0%	0%
Environmental Protection	–	–	–	–	0%	0%
Waste Water Management	9 586	13 778	13 778	9 480	-45%	-45%
Road Transport	1 000	1 000	1 000	1 000	0%	0%
Water Distribution	73 012	100 189	63 689	65 126	-54%	2%
Electricity Distribution	28 972	38 861	38 861	27 649	-41%	-41%
Other	–	–	–	–	0%	0%
Total Revenue by Vote	260 614	291 239	265 040	235 352	-24%	-13%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
	2017/18	2018/19		2018/19 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	7 695	7 981	7 981	8 204	3%	3%
Property rates - penalties & collection charges	–	–	–	–	0%	0%
Service Charges - electricity revenue	25 972	36 129	36 129	27 649	-31%	-31%
Service Charges - water revenue	23 193	11 592	11 592	29 323	60%	60%
Service Charges - sanitation revenue	9 586	10 576	10 576	9 480	-12%	-12%
Service Charges - refuse revenue	5 955	6 706	6 706	5 838	-15%	-15%
Service Charges - other	3	–	–	3	100%	100%
Rentals of facilities and equipment	594	955	955	526	-82%	-82%
Interest earned - external investments	1 986	900	900	398	-126%	-126%
Interest earned - outstanding debtors	1 220	8 745	8 745	–	#DIV/0!	#DIV/0!
Dividends received	–	10	10	12	15%	15%
Fines	48 401	18 900	33 900	39 874	53%	15%
Licences and permits	2	15	15	6	-167%	-167%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	58 955	66 393	66 393	65 693	-1%	-1%
Other revenue	448	17 630	12 931	1 089	-1518%	-1087%
Gains on disposal of PPE	–	–	–	151	100%	100%
Environmental Protection	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	184 010	186 531	196 832	188 246	0.91%	-4.56%
0						T K.2

APPENDIX L – CONDITIONAL GRANTS RECEIVED EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	0	0	0	0%	0%	
Public Transport Infrastructure and Systems Grant	0	0	0	0%	0%	
<i>Other Specify:</i>						
Regional Bulk Infrastructure	38 000	33 000	33 000	-15%	0%	To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries
Water Services Infrastructure Grant	48 500	17 000	17 000	-185%	0%	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service.
Finance Management	1 970	1 970	1 970	0%	0%	To promote and support reforms in financial management by building the capacity in municipality to implement the MFMA Act
EPWP	1 000	1 000	1 000	0%	0%	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skill development in line with the guidelines
Total	89 470	52 970	52 970	-69%	0%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant						T L

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINIC

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

The municipality is an Electricity Service provider; however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	4649	4637	12
Rouxville	2088	2086	2
Smithfield	1635	1635	0
Total	8372	8358	0

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The municipality did not make any loans in the current financial year.

Appendix L refers to all conditional grants made by the municipality.

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING
31 JUNE 2017**